



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



CITY OF HUBER HEIGHTS  
MONTGOMERY COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND  
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

City of Huber Heights  
Montgomery County  
6131 Taylorsville Road  
Huber Heights, Ohio 45424

We have audited the financial statements of the City of Huber Heights, Montgomery County, as of and for the year ended December 31, 2001, and have issued our report thereon dated July 3, 2002 wherein we noted the City implemented Governmental Accounting Standards Board Statements 33, 34, 36, 37, 38, and Interpretation 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee, management, City Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

July 3, 2002



# City of Huber Heights, Ohio

Comprehensive Annual Financial Report

For the year ended December 31, 2001

Issued by:  
Finance Department

Catherine L. Armocida, CPFO, CGFM  
Finance Director





**City of Huber Heights, Ohio**  
*Comprehensive Annual Financial Report*  
*For the Year Ended December 31, 2001*

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July 3, 2002

Citizens of the City of Huber Heights  
Honorable Mayor Hensley  
Members of the City Council  
City Manager, Mr. James W. Pierce

I am very pleased to present our 2001 Comprehensive Annual Financial Report (CAFR) for the City of Huber Heights. This report, for the year ended December 31, 2001, has been prepared using generally accepted accounting principles for governments, and contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Huber Heights ("the City"). Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with the management of the City.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section contains this letter of transmittal, GFOA Certificate of Achievement, a list of principal officials, and an organization chart of the City.
2. The Financial Section begins with the Report of Independent Accountants and includes Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the City.

### **CITY OVERVIEW**

The City of Huber Heights is located in southwestern Ohio, within Montgomery and Miami Counties, and encompasses 22 square miles. The area, which currently includes the incorporated limits of the City of Huber Heights, was originally Wayne Township, named after Major General Anthony Wayne of the United States Army.

In 1981 the township incorporated, and in 1983 the citizens of Huber Heights adopted a City Charter, which took effect on January 1, 1984, providing for a Council/Manager form of government. The legislative powers of the City are vested in a nine-member Council. Two council members are elected at large, while six council members are elected by ward. The Mayor is elected separately. The Council members appoint the City Manager who is the Chief Executive and Administrative Officer of the City. The City Manager appoints all department/division heads and employees, except the City Attorney and the Clerk of Council who are appointed by City Council.

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments which comprise the legal entity of the City and which provide various services including police and fire protection, emergency medical services, parks and recreation, planning, zoning, street maintenance and repair, community development, public health and welfare, sewer and water. Council and the City Manager have direct responsibility for these services.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves their budget, the issuance of their debt or the levying of their taxes. The City does not have any component units included in its reporting entity.

The City has representation on the boards of five entities. The Tri-Cities North Regional Wastewater Authority (Wastewater Authority) and the Joint Economic Development District (JEDD) are joint ventures, while the Miami Valley Regional Planning Commission (the Commission), the Miami Valley Fire/EMS Alliance (the Alliance), and the Economic Development/Government Equity (ED/GE) Program are jointly governed organizations. Information regarding these entities may be found in the notes to the basic financial statements.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Situated along an extensive network of interstate and state highways, including Interstates 70 and 75, as well as U.S. Route 40 and State Routes 4, 201, 202 and 235, the City continued to experience growth and development during 2001. With a population of 38,212 in 2001, Huber Heights places third among all cities within Montgomery County.

Historically, the City's population growth erupted in the late 1950's when Mr. Charles Huber recognized the enormous potential for residential development in the area and began building what is now the largest community of brick homes in the United States.

The City, located 10 minutes from downtown Dayton, Wright Patterson Air Force Base and Dayton International Airport, is primarily residential, providing housing for residents who work in the surrounding metropolitan areas including the Wright Patterson Air Force Base. Huber Heights City government continued to take active steps toward diversifying its tax base, with the strong residential growth generating greater commercial and industrial development. At the end of 2001, there was over 330 acres of industrial-zoned and 150 acres of commercial zoned land available for development.

Based upon a recent survey of Huber Heights residents, it is estimated that the United States government at nearby Wright Patterson Air Force Base employs approximately 12 percent of the residents. Despite the continuing trend toward military downsizing, and base closures, Wright Patterson Air Force Base has gained operations from other bases around the country in the past several years.

During 2001, 59 new businesses opened in Huber Heights. Zoning permits processed during 2001 included the issuance of 105 single-family certificates, 4 new industrial building certificates and 11 new commercial building certificates. The 2001 valuation on all certificates totaled \$22,878,835 compared to \$37,855,083 in 2000.

### Industrial Development

Center Point 70 Commerce Park, a 300-acre industrial business park site developed by the City was the focus for major new industrial development during 2001. The business park currently houses 24 businesses with a total cost of construction to date of approximately \$66 million and with over 1.2 million square feet of new industrial facilities. Coca-Cola, one of the world's major corporations purchased 37 acres of land in the business park; and constructed a 120,000 square foot distribution/office facility on the site. All regional operations for the Miami Valley are performed at the new state of the art facility that opened in January 2001. Coca-Cola employs approximately 200 people with job growth expected over the next few years. The City of Huber Heights invested over \$250,000 to construct a 500-foot long cul-de-sac to access this property.

The City's I-70 Business Park was also active during the year. American Freightways constructed a 60,000 square foot 80-dock addition to their existing facility in the Business Park, which resulted in approximately 100 new jobs bringing total employment to 400. Dayton Freight constructed an 18,932 square foot addition to its current terminal located in the I-70 Business Park. The addition doubled the size of the current facility at an estimated cost of \$1,200,000. Along with the American Freightways addition, these investments underline Huber Heights as being a major transportation hub for the Greater Dayton region with the close proximity of the I-70/I-75 interchange, the "Crossroads of America".

### Commercial Development

In June 2001, the City completed the annexation of 700 acres north of Interstate 70 and State Route 201. A private developer has announced its intention to invest approximately \$35 million for construction of a residential community with a privately owned public golf course. The residential golf course community will include clusters of upscale homes, a commercial area, and a YMCA community recreation facility with an attached wellness center. Other recreational amenities are planned for the site including walking paths, bike paths and even riding trails. The developer estimates that when the golf course, YMCA and the commercial development are completed, the total investment could be as much as \$50 million. Construction is anticipated in the summer of 2002 with the golf course opening in the spring of 2004.

The City experienced other new commercial development during the year. Buffalo Wild Wings Restaurant and TGI Fridays constructed a 7,600 square foot facility and a 7,200 square foot facility respectively in Waynetown Center. Both restaurants seat approximately 400 patrons and are located between the 16 screen Showcase Cinema and State Route 202.

## Residential Development

Huber Heights continued to experience an increase in new residential development during 2001. The Parktowne housing site, a 110-acre development including 255 single-family homes and 25 acres of developable commercial land continued construction for the year with 54 permits issued for single-family homes. The developer plans to target neighborhood commercial uses for the 25 acres that will provide services to the anticipated 255 families who will be living in the complex. The residential development contains three distinctive areas including empty nester, early family and upper-scale homes priced between \$100,000 and \$200,000. The development also includes a walking trail that extends the length of the development connecting nearly 10 acres of private parks on the site.

Phase 1 of the Heathermere housing development continued construction in 2001 with the platting of single family and multi-family lots. When complete the development will include 69 single-family homes, 120 senior condominiums, 180 upscale multi-family units, and a 56-bed assisted living facility. The Evergreen Woods single-family development began construction of Phase 3 during 2001. Of the 110 lots in the overall development, 26 permits have been secured for the construction of single-family homes. The 35-lot Lexington Place residential development saw 9 permits secured for the construction of single-family homes in 2001. The overall subdivision will contain over 150 single-family lots with a private recreational area. A new development called Elysian Fields began construction during the year. The new development, a gated private community, will contain 43 condominiums and will have a lake on the site.

## **MAJOR INITIATIVES**

### For the Year

The City implemented the sixth year of an aggressive interior street improvement program and enjoyed another successful year in the area of economic development. The City also received for the eighth consecutive year the Certificate of Achievement for Excellence in Financial Reporting, which was awarded by the Government Finance Officers Association of the United States and Canada for the Comprehensive Annual Financial Report for 2000.

On August 6, 2001, Moody's Investors Service upgraded the City of Huber Heights General Obligation bonds from an "A1" to an "Aa3", stating that the upgrade reflects the City's continued tax base growth and diversification, General Fund balance with sustained income tax growth and low debt burden.

Income Taxes: The City continued to experience growth in its income tax revenues during 2001. Currently the City has a 1.95% income tax including: 1% for general fund operations; .5% for public safety operations and capital items; .25% for street operations; and .20% for local street capital improvements.

The monies generated from the local street improvement income tax – approximately \$1.2 million each year - are dedicated to interior roadway reconstruction, resurfacing, curb and gutter replacement. This street tax is effective for a five-year period and will be subject to renewal in June 2004. During 2001 the City invested over \$1.2 million toward this annual construction program. Expenditures included the repair and rebuilding of 52 segments of neighborhood streets, and miscellaneous roadway sealing and patching throughout the City. The City also updated its long-range street improvement plan to address the roadway needs of the City, enabling repair of the roadways on a perpetual 15-year cycle. The improvements enhance the City streets and promote the development of and investment in residential and commercial areas.

The income taxes dedicated for public safety services were used to pay: debt due on the City's two fire stations; the purchase of a new medic unit; the loan repayments for the purchase of a 100-foot aerial ladder truck; and general police division operations and capital equipment purchases including cruisers, radios and computers. The income taxes dedicated for street operations were utilized to pay for general street operations including personnel, contracts and supplies, snow removal and street cleaning, traffic signal maintenance, the purchase of a one-ton dump truck, a large mower with boom, and for debt retirement on bonds issued in prior years for major street reconstruction.

In June of 2001, the City Council authorized the collection of Emergency Medical Service Fees. The revenue generated for the last six months of the year totaled over \$400,000. These funds were used to hire six new fire fighter/paramedics, a lead fire inspector, a training officer, and a data entry technician for the Fire Division. In 2002, it is estimated that the new fee will generate over \$800,000 in total revenues for the City, to be used for staff salaries and equipment purchases for the Division.

#### Capital Improvements:

During 2001, the City completed the construction of Phase 6 to widen State Route 202. The construction work totaling \$960,000 began in late fall of 2000 and was completed in the spring of 2001. The City was awarded an Ohio Public Works Grant totaling \$515,000 for this project, with \$295,000 to be received in permissive taxes from Montgomery County, and \$125,000 in assessment revenue from the benefited property owners.

The extension of water mains in various areas of the City was completed in 2001. The \$540,000 in total project cost was paid by benefited property owners, and a \$92,450 grant awarded by the Ohio Public Works Commission.

The City has worked for the past several years with the Ohio Department of Transportation to complete the construction of a sound control device along a portion of I-70. Construction of the noise wall was completed in 2001 at a cost of \$3.1 million of which the City paid \$20,000 with the remainder funded through the Federal Highway Enhancement Fund.

The City was also awarded an Ohio Department of Natural Resources grant totaling \$30,000 to install a water slide at the City pool which was completed in 2001.

The City continued to update its Website [www.huber-heights.oh.us](http://www.huber-heights.oh.us) during the year. The site features the City's current year budget, hot topics, economic development information, updated meeting agendas, a brief history of the City and other general information.



## For The Future

The Ohio Public Works Commission awarded the City a number of grants ("Issue 2") to finance various projects. Construction for the seventh phase of the widening of State Route 202 began in 2001 with the engineering and design of this final phase to improve State Route 202 to the City's southern corporate boundary. The total project cost for this phase is anticipated to be \$1,520,000 of which the City has been awarded \$970,000 in Issue 2 grant funding, and \$215,000 in County Motor Vehicle Permissive Tax revenues and \$83,000 from the City of Riverside. The City also anticipates assessing approximately \$50,000 to benefited property owners. Construction is anticipated to be completed by May 2003.

The City was awarded \$140,000 in Issue 2 grant proceeds to finance the road widening of Chambersburg Road, at a total projected cost of \$300,000. The project will begin in the summer of 2002. The City will continue its annual interior street improvement program in 2002 with a \$1.2 million program, to be funded solely from income tax proceeds. Also scheduled for 2002 is the annual sidewalk repair and replacement program, totaling \$150,000 which cost will be shared by the affected property owners and the City.

Begun in late 1999, the City maintains as its number one goal to improve the I-70 and State Route 202 interchange including the State Route 201 overpass bridge. To accomplish this goal the City has continued to aggressively pursue major funding from the Transportation Reauthorization Bill for the final engineering design and construction of the interchange along Interstate 70 at State Route 202. The current total estimated cost of the project is \$9 million, with improvements anticipated to begin in 2006. The City has also applied for funds from the Ohio Department of Transportation to pay for a portion of the project. The City of Huber Heights, the Miami Valley Regional Planning Commission, and the Ohio Department of Development have committed half of the nine million dollars required.

The City was awarded a \$250,000 grant from the US Department of Justice COPS MORE program for the purchase and installation of Mobile Data Terminals (MDT) in front line patrol vehicles. The project provides the hardware and software necessary for wireless network technologies enabling communications between field personnel and the dispatch center. The MDT system will provide direct access to information in both the state and federal databases without routing requests through the local communications center, minimizing paper flow and time delays by allowing field personnel to be immediately updated regarding critical calls for service. It is anticipated that the project will be completed by August 2002.

## Continuing Disclosure

The City is required to provide certain continuing disclosure information in conjunction with various debt offerings. Updated data is provided in the Statistical Section of this report.

## FINANCIAL INFORMATION

### Internal Control Structure and Budgetary Controls

Development of the City's accounting system includes consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the City administration and Finance Department. Administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department/division head is furnished a weekly report showing the week's transactions and summarizing the balances available to be spent from the appropriations for goods and services.

### Financial Condition

This is the first year the City has prepared financial statements following GASB Statement 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments" GASB 34 creates new basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion follows the Report of the Independent Accountants, providing an assessment of the City finances for 2001.

## **CASH MANAGEMENT**

The City pursues an aggressive cash management program by expediting the receipt of revenues and prudently investing available cash. The total interest earned by the City's governmental and enterprise funds was \$1,000,589 for the year ended December 31, 2001, which represents an annual interest yield of 4.29 percent of the average investable bank balance for the year. A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. Trustees, including the Federal Reserve and designated third party trustees, hold the collateral of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided. No portion of the City's funds were invested in derivatives.

## **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disaster. In 2001, the City purchased property, liability and public officials insurance from a traditional carrier.

The City elected to allow employees to choose between an HMO or the City's self insured program for medical benefits starting in 1995. The City provides employee dental and optical insurance benefits through its self insurance program. Each department/division receives appropriations to cover estimated claims and administrative fees. All claims under the self insurance plan are reviewed by a third party administrator and are paid by the City from the respective department/division's appropriations. The City purchases stop-loss insurance coverage of \$40,000 per person, per year for those covered by the self insured plan.

The City pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

## **OTHER INFORMATION**

### **Independent Audit**

An audit team from the Office of the Auditor of State Jim Petro has performed this year's audit. The results of the audit are presented in the Report of Independent Accountants.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Huber Heights, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2000. This was the eighth consecutive year that the City of Huber Heights has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgements

Appreciation is extended to the City Council, City Manager, department/division heads, and City employees responsible for contributing to the sound financial position of the City of Huber Heights. My sincere gratitude goes to members of the Finance Department staff including Debi Jones, Jeanne Renick, Lou Von Miller, Michelle Simmerman and Karen Gest who contributed to the compilation of this report. I would also like to express appreciation to John Geiger, the City Engineer, and his staff for their tireless efforts in gathering and preparing the infrastructure information presented in this report. Special acknowledgment is extended to the Local Government Services Division of the Office of the Auditor of State for their continued guidance in the preparation of this report.

Catherine L. Armocida, CPFO, CGFM  
Director of Finance

CITY OF HUBER HEIGHTS, OHIO

LIST OF PRINCIPAL OFFICIALS

2001 ELECTED CITY OFFICIALS

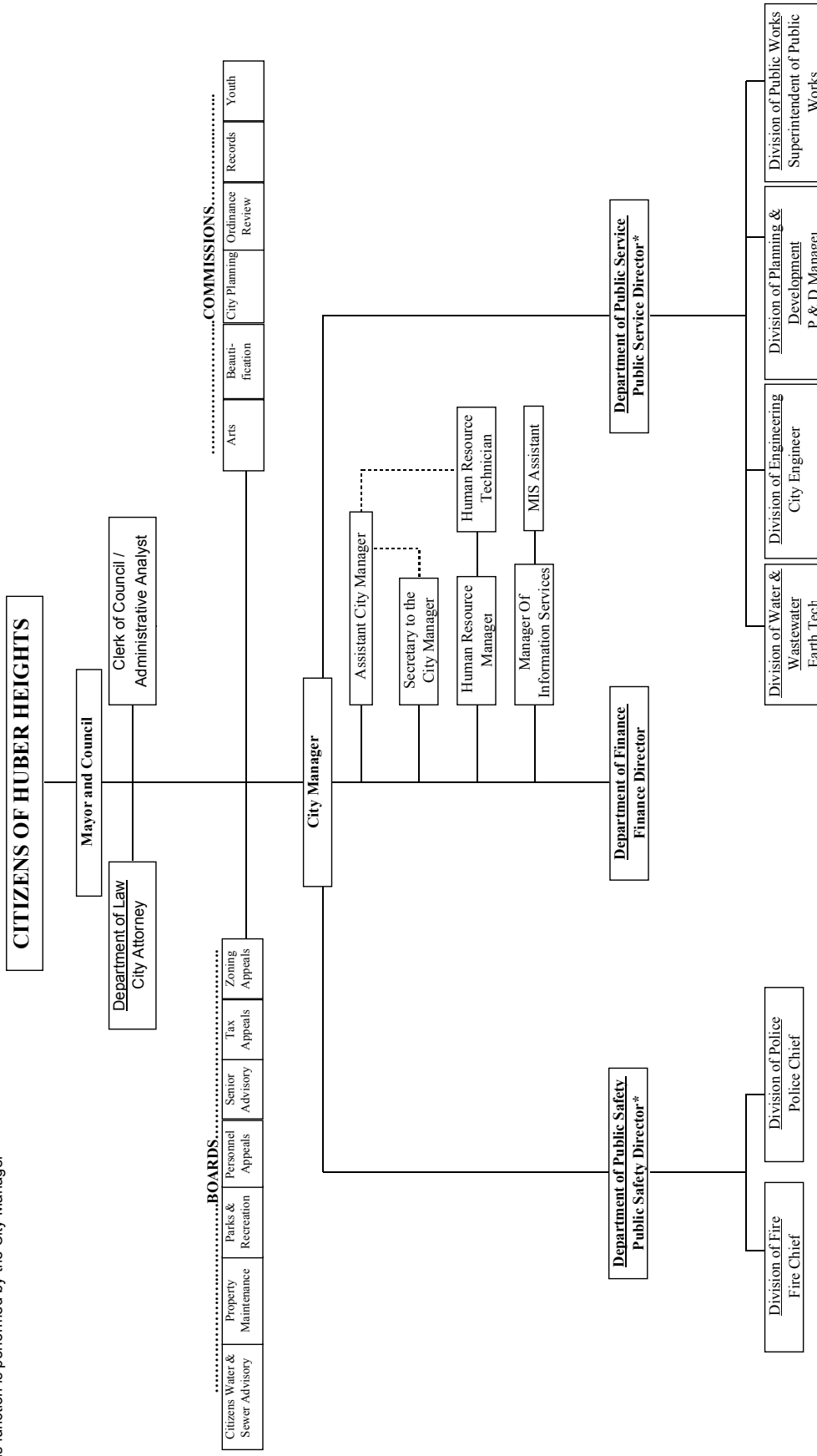
Council Members

Mayor	Jack Hensley
Vice Mayor	Mark Campbell
	James Cahill
	James Fox
	Karen Kaleps
	James Scott
	Carol Slagle
	Pamela Sunderland
	Jan Vargo

2001 APPOINTED CITY OFFICIALS

City Manager	James W. Pierce
Director of Finance	Catherine L. Armocida

City of Huber Heights Organization Chart  
 \*This function is performed by the City Manager





STATE OF OHIO  
OFFICE OF THE AUDITOR

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130 West Second Street  
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## REPORT OF INDEPENDENT ACCOUNTANTS

City of Huber Heights  
Montgomery County  
6131 Taylorsville Road  
Huber Heights, Ohio 45424

We have audited the accompanying basic financial statements of the City of Huber Heights, Montgomery County, (the City) as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of Huber Heights, Montgomery County, as of December 31, 2001, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2001, the City adopted Governmental Accounting Standards Board Statements No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*; No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*; No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues.*; No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*; No. 38 *Certain Financial Statement Note Disclosures, and Interpretation No. 6*. Also, as described in Note 3, during the year ended December 31, 2001, the City implemented a new capital asset policy increasing the capitalization threshold for capital assets, resulting in a restatement to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2002 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

We performed our audit to form an opinion on the basic financial statements of the City, taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

July 3, 2002



**City of Huber Heights, Ohio**  
*Management's Discussion and Analysis*  
*For The Year Ended December 31, 2001*

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Huber Height's discussion and analysis of the annual financial report provides a review of the financial performance for the year ended December 31, 2001.

**FINANCIAL HIGHLIGHTS**

The City's total net assets increased \$6.3 million. Net assets of governmental activities increased \$5.7 million (5.77%), mainly due to current and other assets increasing for cash and receivables, especially special assessments receivable that were levied by the County Auditor in 2001. Net assets of business-type activities increased by \$621,971 (3.01%), mainly due to the increase in capital assets and investment in joint venture, along with debt decreasing due to payments.

The general fund transfers out equaled \$5,858,253. \$403,253 in transfers for capital acquisitions, repairs and equipment, \$205,000 for debt service obligations, \$1,500,000 for police operations, \$3,500,000 for fire operations, and \$250,000 for support of special revenue fund park maintenance and recreation programs.

Business-type operations reflected an operating gain, since charges for services kept up with expenses, while business-type unrestricted net assets are \$15.3 million.

Capital assets used in governmental activities increased \$349,934. A large portion of this was due to the addition of a street system that was purchased with governmental fund monies from debt proceeds and transfers from the general fund.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Huber Height's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

## **REPORTING THE CITY AS A WHOLE**

### *Statement of Net Assets and the Statement of Activities*

The analysis of the City as a whole begins with the Statement of Net Assets and the Statement of Activities. These statements provide information that will help the reader to determine if the City of Huber Heights is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes to those assets. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well being. Some of these factors include the City's tax base, and the condition of capital assets.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two kinds of activities.

**Governmental Activities** – Most of the City's services are reported here including police, fire, leisure time activities, community environment, transportation, and general government.

**Business-Type Activities** – These services include sewer and water. Service fees for these operations are charged based upon the amount of usage. The intent is that the fees charged recoup operational costs.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### *Fund Financial Statements*

The analysis of the City's major funds begins on page 8. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage and report money received for a particular purpose or to show that the City is meeting legal responsibilities for use of grants. The City of Huber Height's major funds are General, Fire, Lighting, Police, General Obligation Bond Retirement, Special Assessment Bond Retirement, Capital Improvement, Sewer and Water.

**Governmental Funds** – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Funds** – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

## THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2001 compared to 2000.

Table 1  
Net Assets  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
<b>Assets</b>						
Current and Other Assets	\$34.8	\$30.1	\$5.7	\$5.6	\$40.5	\$35.7
Nondepreciable Capital Assets	19.0	20.9	0.4	0.6	19.4	21.5
Depreciable Capital Assets, Net	74.9	72.7	22.2	22.1	97.1	94.8
Investment in Joint Venture	0.0	0.0	11.3	11.1	11.3	11.1
<b>Total Assets</b>	<b>128.7</b>	<b>123.7</b>	<b>39.6</b>	<b>39.4</b>	<b>168.3</b>	<b>163.1</b>
<b>Liabilities</b>						
Current and Other Liabilities	4.9	7.4	0.5	0.5	5.4	7.9
Long-Term Liabilities: Due Within One Year	2.0	6.2	1.2	1.1	3.2	7.3
Due in More Than One Year	17.7	11.7	16.6	17.0	34.3	28.7
<b>Total Liabilities</b>	<b>24.6</b>	<b>25.3</b>	<b>18.3</b>	<b>18.6</b>	<b>42.9</b>	<b>43.9</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	75.6	74.9	4.8	4.5	80.4	79.4
Restricted for:						
Fire	1.5	0.9	0.0	0.0	1.5	0.9
Police	2.8	2.0	0.0	0.0	2.8	2.0
Other Purposes	4.9	2.7	0.0	0.0	4.9	2.7
Debt Service	5.7	4.9	0.0	0.0	5.7	4.9
Local Street Capital Improvement	0.4	0.2	0.0	0.0	0.4	0.2
Other Capital Projects	1.5	1.7	0.0	0.0	1.5	1.7
Revenue Bonds Improvement and Replacement	0.0	0.0	0.1	0.1	0.1	0.1
Revenue Bonds Current Debt Service	0.0	0.0	1.1	1.1	1.1	1.1
Unrestricted	11.7	11.1	15.3	15.0	27.0	26.1
<b>Total Net Assets</b>	<b>\$104.1</b>	<b>\$98.4</b>	<b>\$21.3</b>	<b>\$20.7</b>	<b>\$125.4</b>	<b>\$119.1</b>

Total net assets increased \$6.3 million. Net assets of the City's governmental activities increased by \$5.7 million, with unrestricted net assets increasing \$0.6 million.

The net assets of the City's business type activities increased by \$621,971. Each activity reported an operating gain during 2001. Current liabilities were \$22,814 less than 2000. The City strives to control operation expenses for business-type activities in order to maintain stability in charges for services.

Table 2 shows the changes in net assets for the year ended December 31, 2001. Since this is the first year the City has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2000 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2  
Changes in Net Assets  
(In Millions)

	Governmental Activities <u>2001</u>	Business-Type Activities <u>2001</u>	Total <u>2001</u>
Revenues			
Program Revenues:			
Charges for Services	\$2.0	\$5.1	\$7.1
Operating Grants, Contributions and Interest	4.0	0.0	4.0
Capital Grants, Contributions and Interest	2.4	0.4	2.8
Total Program Revenues	<u>8.4</u>	<u>5.5</u>	<u>13.9</u>
General Revenues:			
Property and Other Taxes	3.6	0.0	3.6
Income Taxes	11.1	0.0	11.1
Grants and Entitlements	1.4	0.0	1.4
Other	1.1	0.3	1.4
Total General Revenues	<u>17.2</u>	<u>0.3</u>	<u>17.5</u>
Total Revenues	<u>25.6</u>	<u>5.8</u>	<u>31.4</u>
Program Expenses:			
Security of Persons and Property			
Fire	4.7	0.0	4.7
Police	5.2	0.0	5.2
Other	1.0	0.0	1.0
Leisure Time Activities	0.2	0.0	0.2
Community Environment	0.8	0.0	0.8
Transportation	4.4	0.0	4.4
General Government	2.5	0.0	2.5
Interest and Fiscal Charges	1.1	0.0	1.1
Sewer	0.0	2.7	2.7
Water	0.0	2.5	2.5
Total Expenses	<u>19.9</u>	<u>5.2</u>	<u>25.1</u>
Increase in Net Assets	<u>\$5.7</u>	<u>\$0.6</u>	<u>\$6.3</u>

### ***Governmental Activities***

The 1.95% income tax is the largest source of revenue for the City of Huber Heights. By ordinance, 1% of the net income tax received is designated for general fund activities, .5% is designated for public safety, .25% is designated for street operations and .20% is designated for local street capital maintenance and repairs.

Since 1996, income tax revenue has increased annually an average of 6.82%. During 2001, a few of Huber Height's employers went through reorganization and downsizing. However, other companies expanded and new businesses were added to the economic base.

Administration and Council has a quality of life commitment to the citizens and businesses located in Huber Heights. With this in mind, Council committed through appropriations over \$4,390,000 for capital assets, equipment and repairs. These assets included street resurfacing, sidewalk replacements, safety and street maintenance equipment and vehicles, as well as park and recreation equipment.

Governmental program expenses for 2001 were as follows:

Security of Persons and Property	
Fire	23.59%
Police	25.83%
Other	5.16%
Public Health	0.21%
Leisure Time Activities	1.16%
Community Environment	3.78%
Transportation	22.07%
General Government	12.48%
Interest and Fiscal Charges	5.72%
Total	<u>100.00%</u>

As indicated above, citizen safety and well being is emphasized.

When looking at the sources of income to support governmental activities, it should be noted that charges for services are only 7.88% of revenue. Revenues provided by sources other than City residents in the form of operating and capital grants comprise another 25.12%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

### ***Business-Type Activities***

The City's business-type activities include Sewer and Water.

Sewer Treatment – Prior to 1996, the City wastewater treatment services were contracted with the Miami Conservancy District. In 1996, the Conservancy District decided they no longer wanted to furnish this service. A joint venture was formed among the Cities of Huber Heights, Vandalia and Tipp City to take over the Conservancy District operation. This joint venture now furnishes wastewater treatment services to each city. Each city owns and maintains the infrastructure necessary to furnish services to their citizens. All capital repairs and upkeep of the treatment plant are the responsibility of the joint venture. The joint venture in turn will set costs of service for the cities, based on flow, to maintain the plant. The City of Huber Heights charges its residents accordingly. At this time, any capital outlay needed to maintain Huber Heights sewer infrastructure is provided from resident charges.

Utility Operations – In January of 1994, the citizens of Huber Heights voted overwhelmingly to endorse the City’s acquisition of the Ohio Suburban water and wastewater systems from American Water Works of Voorhees, New Jersey. On September 29, 1995, the City completed this acquisition enabling the City to more effectively attract new development to the community particularly through new annexations and service extensions while at the same time keeping water and sewer rates low. One of the City’s goals in purchasing the utility was to reduce the overall cost of water and sewer services to its residents. During 2001, the City began an operations study to identify the short and long range plans for the utility and to identify funding sources for the targeted projects.

## **THE CITY’S FUNDS**

Information about the City’s major governmental funds begins on page 14. These funds are reported using the modified accrual basis of accounting. All Governmental funds had total revenues of \$21.5 million and expenditures of \$26.2 million. The General fund balance decreased by \$101,062. During 2001, income tax revenue increased by \$172,046. Within the General fund revenues exceeded expenditures by \$5.7 million. Transfers to other funds such as the Capital Improvement funds, Debt Service funds, and other Special Revenue funds totaled \$5,858,253. The funds transferred were used for capital assets, improvements, repairs, debt and support of special revenue public safety and recreation programs.

The Fire fund balance increased \$659,962. Fund balance at December 31, 2001, was \$1.9 million of which \$532,350 is encumbered primarily for various equipment purchases. The Lighting fund balance increased \$11,871. Fund balance at December 31, 2001, was \$207,224 of which \$76,622 is encumbered primarily for additional lighting to be installed along State Route 202. The Police fund balance increased \$769,544. Fund balance at December 31, 2001, was \$2.5 million. The General Obligation Bond Retirement fund balance increased \$114,067, while fund balance at year end was \$723,539. The Special Assessment Bond Retirement fund balance increased \$293,590, while fund balance at year end was \$632,842. The Capital Improvement fund balance increased \$951,345. This was primarily due to a note outstanding being paid off during 2001 with bond proceeds. Fund balance at December 31, 2001, was \$474,243.

Each enterprise fund reflects an operating gain for 2001. Charges for services for Sewer and Water services have historically been established to ensure that on a cash basis, fees are adequate to cover operations. Council has set fees with the intention of funding operating costs and debt service.

The sewer fund statement of cash flows has a net cash decrease of \$114,589. This occurred due to an increase in payments to suppliers for goods and services.

### ***General Fund Budgeting Highlights***

The City’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The City’s budget is adopted on a fund basis. Before the budget is adopted Council reviews detailed budget worksheets of each function within the General fund and then adopts the budget on a fund basis.

During 2001 there were fifteen revisions to the General fund budget. The net effect of the revisions was an increase in the appropriations of \$7,335,969. Advances and transfers not originally appropriated accounted for the majority of the increase.

Within each departmental/divisional function, the respective manager may make line item adjustments within their budgets with the approval of the City Manager, as long as the total does not exceed the original budget appropriation.

Original General fund budgeted revenues including other financing sources were \$9,095,080. The final budgeted amount was \$10,502,065. Several factors contributed to this difference. In October, the City of Huber Heights established a municipal income tax office after having contracted with the City of Dayton for fifteen years. Immediately, the City of Huber Heights realized increased collection as a result of more aggressive in-house collection efforts. Interest revenues increased due to active portfolio management during 2001.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### *Capital Assets*

Table 3  
Capital Assets  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2001	2000	2001	2000	2001	2000
Land	\$19.0	\$19.1	\$0.4	\$0.4	\$19.4	\$19.5
Buildings	8.0	8.2	4.2	4.3	12.2	12.5
Equipment	1.2	1.0	0.0	0.0	1.2	1.0
Furniture, Fixtures and Improvements	0.3	0.3	0.0	0.0	0.3	0.3
Vehicles	2.1	1.9	0.0	0.0	2.1	1.9
Infrastructure	63.3	61.3	18.0	17.8	81.3	79.1
Construction in Progress	0.0	1.8	0.0	0.2	0.0	2.0
Totals	<u>\$93.9</u>	<u>\$93.6</u>	<u>\$22.6</u>	<u>\$22.7</u>	<u>\$116.5</u>	<u>\$116.3</u>

The increase in infrastructure was primarily the result of new street construction for the expansion of Executive Boulevard completing the connection of State Routes 201 and 202. See Note 8 of the notes to the basic financial statements for more detailed information.

### *Debt*

At December 31, 2001, the City of Huber Heights had \$36.6 million in debt outstanding.

Table 4  
Outstanding Debt at Year End

	Governmental Activities		Business-Type Activities	
	2001	2000	2001	2000
Special Assessment Bonds	\$7,555,000	\$5,598,326	\$0	\$0
General Obligation Bonds	10,004,880	10,516,674	0	0
Equipment/Vehicle Loans	1,259,241	916,954	0	0
Revenue Bonds Payable	0	0	12,333,321	12,423,498
OWDA Loan Payable	0	0	5,401,479	5,687,931
Total	<u>\$18,819,121</u>	<u>\$17,031,954</u>	<u>\$17,734,800</u>	<u>\$18,111,429</u>

Special Assessment bonds will be paid with special assessment revenue. Special assessment debt increased as a result of bonding both the Executive Boulevard extensions and the widening of State Route 202.

All general obligation bond issues will be paid through the General Obligation Bond Retirement Debt Service Fund with property tax revenues and transfers from various funds. The equipment/vehicle loans will be paid by the funds using the capital assets. The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The OWDA loan will be paid from Sewer Enterprise Fund revenue.

The City's overall 10.5 percent legal debt margin was \$49,030,476 as of December 31, 2001. The more restrictive unvoted legal debt margin within 5.5 percent was \$22,270,698 as of the same date. See Note 14 of the notes to the basic financial statements for more detailed information.

## **CONTACTING THE CITY'S FINANCE DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Catherine L. Armocida, CPFO, CGFM, Director of Finance, City of Huber Heights, 6131 Taylorsville Road, Huber Heights, Ohio 45424.



**City of Huber Heights, Ohio**

*Statement of Net Assets*

*December 31, 2001*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$18,404,289	\$3,705,635	\$22,109,924
Cash and Cash Equivalents with Fiscal Agents	196	1,372,417	1,372,613
Accrued Interest Receivable	15,506	11,517	27,023
Accounts Receivable	499,568	556,805	1,056,373
Municipal Income Taxes Receivable, Net	3,106,273	0	3,106,273
Due from Other Governments	1,697,656	0	1,697,656
Property and Other Taxes Receivable	3,451,358	0	3,451,358
Prepaid Items	67,554	6,754	74,308
Supplies Inventory	107,677	785	108,462
Deferred Charges	43,297	0	43,297
Special Assessments Receivable	7,446,006	55,371	7,501,377
Nondepreciable Capital Assets	19,025,438	388,085	19,413,523
Depreciable Capital Assets, Net	74,884,138	22,156,497	97,040,635
Investment in Joint Venture	0	11,349,818	11,349,818
<i>Total Assets</i>	<u>128,748,956</u>	<u>39,603,684</u>	<u>168,352,640</u>
<b>Liabilities</b>			
Accounts Payable	535,829	558	536,387
Accrued Salaries Payable	371,910	5,890	377,800
Claims Payable	72,234	0	72,234
Contracts Payable Retainage	31,496	0	31,496
Due to Other Governments	684,685	416,266	1,100,951
Accrued Interest Payable	85,991	130,465	216,456
Deferred Revenue	3,089,677	0	3,089,677
Long-Term Liabilities:			
Due Within One Year	2,020,108	1,173,195	3,193,303
Due in More Than One Year	17,748,891	16,568,596	34,317,487
<i>Total Liabilities</i>	<u>24,640,821</u>	<u>18,294,970</u>	<u>42,935,791</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	75,603,752	4,809,782	80,413,534
Restricted for:			
Fire	1,507,520	0	1,507,520
Police	2,752,404	0	2,752,404
Other Purposes	4,866,756	0	4,866,756
Debt Service	5,793,338	0	5,793,338
Local Street Capital Improvement	421,369	0	421,369
Other Capital Projects	1,524,569	0	1,524,569
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Unrestricted	11,638,427	15,298,932	26,937,359
<i>Total Net Assets</i>	<u>\$104,108,135</u>	<u>\$21,308,714</u>	<u>\$125,416,849</u>

See accompanying notes to the basic financial statements

**City of Huber Heights, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2001

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
<b>Governmental Activities:</b>				
Security of Persons and Property				
Fire	\$4,710,405	\$552,105	\$126,051	\$0
Police	5,158,811	99,116	142,897	0
Other	1,029,574	922,740	2,276,000	23,485
Public Health	40,954	0	41,994	0
Leisure Time Activities:	231,707	63,094	0	0
Community Environmen	755,132	185,973	77,926	0
Transportation	4,406,004	164,751	1,301,123	2,393,530
General Governmen	2,491,396	28,578	47,083	0
Interest and Fiscal Charge:	1,141,978	0	0	0
<i>Total Governmental Activities</i>	<u>19,965,961</u>	<u>2,016,357</u>	<u>4,013,074</u>	<u>2,417,015</u>
<b>Business-Type Activities:</b>				
Sewer	2,697,519	2,639,901	0	44,210
Water	2,535,115	2,479,742	0	353,544
<i>Total Business-Type Activities</i>	<u>5,232,634</u>	<u>5,119,643</u>	<u>0</u>	<u>397,754</u>
<i>Total Activities</i>	<u>\$25,198,595</u>	<u>\$7,136,000</u>	<u>\$4,013,074</u>	<u>\$2,814,769</u>

**General Revenues**

Property and Other Taxes Levied for:

    General Purposes

    Fire

    Police

    Debt Service

Municipal Income Taxes Levied for

    General Purposes

    Police

    Other Purposes

    Local Street Capital Improvemen

    Other Capital Projects

Grants and Entitlements not Restricted to Specific Program

Gain on Sale of Capital Asset:

Investment in Joint Ventur

Unrestricted Investment Earning

Increase in Fair Value of Investment

Other

**Transfers**

*Total General Revenues and Transfers*

Change in Net Assets:

*Net Assets Beginning of Year - (See Note 3)*

*Net Assets End of Year*

See accompanying notes to the basic financial statement

Net (Expense) Revenue and Changes in Net Asset

Governmental Activities	Business-Type Activities	Total
(\$4,032,249)	\$0	(\$4,032,249)
(4,916,798)	0	(4,916,798)
2,192,651	0	2,192,651
1,040	0	1,040
(168,613)	0	(168,613)
(491,233)	0	(491,233)
(546,600)	0	(546,600)
(2,415,735)	0	(2,415,735)
(1,141,978)	0	(1,141,978)
<u>(11,519,515)</u>	<u>0</u>	<u>(11,519,515)</u>
0	(13,408)	(13,408)
0	298,171	298,171
<u>0</u>	<u>284,763</u>	<u>284,763</u>
<u>(11,519,515)</u>	<u>284,763</u>	<u>(11,234,752)</u>
1,051,240	0	1,051,240
1,047,758	0	1,047,758
1,262,070	0	1,262,070
197,965	0	197,965
5,736,929	0	5,736,929
2,700,972	0	2,700,972
1,402,411	0	1,402,411
1,151,042	0	1,151,042
144,747	0	144,747
1,406,293	0	1,406,293
192,181	0	192,181
0	195,401	195,401
725,525	184,675	910,200
6,970	7,970	14,940
126,148	0	126,148
50,838	(50,838)	0
<u>17,203,089</u>	<u>337,208</u>	<u>17,540,297</u>
5,683,574	621,971	6,305,545
<u>98,424,561</u>	<u>20,686,743</u>	<u>119,111,304</u>
<u>\$104,108,135</u>	<u>\$21,308,714</u>	<u>\$125,416,849</u>

**City of Huber Heights, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2001*

	General	Fire	Lighting	Police
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$5,750,571	\$2,127,114	\$207,520	\$2,589,827
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Receivables:				
Property and Other Taxes	871,237	1,085,801	0	1,311,544
Municipal Income Taxes, Net	1,593,518	0	0	697,980
Accounts	484,445	14,023	0	919
Special Assessments	38,811	0	2,241,757	0
Accrued Interest	15,035	0	0	0
Due from Other Governments	719,980	129,008	0	91,916
Prepaid Items	57,320	832	0	8,260
Supplies Inventory	14,228	2,699	0	13,134
Interfund Receivable	3,375,157	0	0	4,165
<i>Total Assets</i>	<u>\$12,920,302</u>	<u>\$3,359,477</u>	<u>\$2,449,277</u>	<u>\$4,717,745</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$113,076	\$67,469	\$0	\$48,336
Contracts Payable Retainage	0	0	0	0
Accrued Salaries Payable	71,390	118,120	296	145,206
Due to Other Governments	35,625	51,393	0	56,491
Interfund Payable	0	0	0	0
Deferred Revenue	3,086,820	1,163,916	2,241,757	1,907,446
Claims Payable	2,452	51,781	0	12,576
<i>Total Liabilities</i>	<u>3,309,363</u>	<u>1,452,679</u>	<u>2,242,053</u>	<u>2,170,055</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	659,362	532,350	76,622	657,090
Reserved for Supplies Inventory	14,228	2,699	0	13,134
Reserved for Long-Term Interfund Loans	2,200,000	0	0	0
Reserved for Unclaimed Monies	6,342	0	0	0
Unreserved:				
Undesignated, Reported in:				
General Fund	6,731,007	0	0	0
Special Revenue Funds	0	1,371,749	130,602	1,877,466
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>9,610,939</u>	<u>1,906,798</u>	<u>207,224</u>	<u>2,547,690</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$12,920,302</u>	<u>\$3,359,477</u>	<u>\$2,449,277</u>	<u>\$4,717,745</u>

See accompanying notes to the basic financial statements

General Obligation Bond Retirement	Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$722,511	\$632,842	\$2,132,448	\$4,241,456	\$18,404,289
0	0	0	196	196
182,776	0	0	0	3,451,358
0	0	0	814,775	3,106,273
0	0	0	181	499,568
0	4,886,125	279,313	0	7,446,006
0	0	0	471	15,506
12,847	0	147,839	596,066	1,697,656
0	0	0	1,142	67,554
0	0	0	77,616	107,677
0	0	0	0	3,379,322
<u>\$918,134</u>	<u>\$5,518,967</u>	<u>\$2,559,600</u>	<u>\$5,731,903</u>	<u>\$38,175,405</u>
\$0	\$0	\$239,428	\$67,520	\$535,829
0	0	6,886	24,610	31,496
0	0	591	36,307	371,910
0	0	0	15,641	159,150
0	0	1,411,300	1,968,022	3,379,322
194,595	4,886,125	427,152	1,111,612	15,019,423
0	0	0	5,425	72,234
<u>194,595</u>	<u>4,886,125</u>	<u>2,085,357</u>	<u>3,229,137</u>	<u>19,569,364</u>
1,356	6,449	413,109	414,481	2,760,819
0	0	0	77,616	107,677
0	0	0	0	2,200,000
0	0	0	0	6,342
0	0	0	0	6,731,007
0	0	0	1,486,322	4,866,139
722,183	626,393	0	0	1,348,576
0	0	61,134	524,347	585,481
<u>723,539</u>	<u>632,842</u>	<u>474,243</u>	<u>2,502,766</u>	<u>18,606,041</u>
<u>\$918,134</u>	<u>\$5,518,967</u>	<u>\$2,559,600</u>	<u>\$5,731,903</u>	<u>\$38,175,405</u>

**City of Huber Heights, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2001*

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<b>Total Governmental Fund Balances</b>	<b>\$18,606,041</b>
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*Amounts reported for governmental activities in the statement of net assets are different because:*

Some assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital Assets	93,909,576	
Deferred Charges	<u>43,297</u>	
		93,952,873

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Municipal Income Taxes	2,340,816	
Property and Other Taxes	354,113	
Intergovernmental	1,366,913	
Special Assessments	7,446,006	
Charges for Services	382,019	
Fines, Licenses and Permits	9,494	
Other	<u>30,385</u>	
		11,929,746

Total	11,929,746
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Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds:

(525,535)

Some liabilities, including bonds payable, loans payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:

Accrued Interest	(85,991)
Premiums on Refunding Bond	(18,230)
Accounting Loss on Various Purpose Bond	43,350
General Obligation Bonds	(10,030,000)
Special Assessment Bonds	(7,555,000)
Equipment/Vehicle Loans	(1,259,241)
Compensated Absence	<u>(949,878)</u>

Total	<u>(19,854,990)</u>
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<i>Net Assets of Governmental Activities</i>	<u><u>\$104,108,135</u></u>
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See accompanying notes to the basic financial statement

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**City of Huber Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2001*

	General	Fire	Lighting	Police
<b>Revenues</b>				
Municipal Income Taxes	\$5,366,293	\$0	\$0	\$2,589,044
Property and Other Taxes	1,041,788	1,017,362	0	1,223,129
Intergovernmental	1,386,289	123,110	0	134,380
Special Assessments	16,421	0	376,741	0
Charges for Services	539,388	2,019	0	52,673
Fines, Licenses and Permits	201,220	0	0	0
Interest	725,525	2,941	0	4,679
Rent	55,779	1,644	0	0
Increase in Fair Value of Investments	6,970	0	0	0
Other	129,676	666,597	0	149,267
<i>Total Revenues</i>	<u>9,469,349</u>	<u>1,813,673</u>	<u>376,741</u>	<u>4,153,172</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property:				
Fire	0	4,754,330	0	0
Police	0	0	0	5,037,460
Other	567,956	0	364,870	0
Public Health	0	0	0	0
Leisure Time Activities	0	0	0	0
Community Environment	665,905	0	0	0
Transportation:				
Local Street Capital Improvement	0	0	0	0
Other	0	0	0	0
General Government	2,475,884	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	62,114	0	0	144,097
Interest and Fiscal Charges	6,878	0	0	14,684
Bond Issuance Costs	0	0	0	0
Current Refunding	0	0	0	0
<i>Total Expenditures</i>	<u>3,778,737</u>	<u>4,754,330</u>	<u>364,870</u>	<u>5,196,241</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,690,612</u>	<u>(2,940,657)</u>	<u>11,871</u>	<u>(1,043,069)</u>
<b>Other Financing Sources (Uses)</b>				
Special Assessment Bonds Issued	0	0	0	0
Refunding Bonds Issued	0	0	0	0
Long-Term Loans Issued	0	95,500	0	311,306
Premium from Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Fixed Assets	1,021	5,275	0	2,421
Transfers - In	76,129	3,500,000	0	1,500,000
Transfers - Out	(5,858,253)	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(5,781,103)</u>	<u>3,600,775</u>	<u>0</u>	<u>1,813,727</u>
<i>Net Change in Fund Balances</i>	(90,491)	660,118	11,871	770,658
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>	9,712,001	1,246,836	195,353	1,778,146
Decrease in Reserve for Inventory	(10,571)	(156)	0	(1,114)
<i>Fund Balances End of Year</i>	<u>\$9,610,939</u>	<u>\$1,906,798</u>	<u>\$207,224</u>	<u>\$2,547,690</u>

See accompanying notes to the basic financial statements



General Obligation Bond Retirement	Special Assessment Bond Retirement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$0	\$0	\$0	\$2,473,893	\$10,429,230
196,363	0	0	0	3,478,642
24,701	0	30,000	2,190,526	3,889,006
0	222,939	233,320	32,463	881,884
0	0	0	54,643	648,723
0	0	0	16,825	218,045
1,920	1,096	21,141	58,612	815,914
135,937	0	0	4,971	198,331
0	0	0	0	6,970
0	0	232	37,276	983,048
358,921	224,035	284,693	4,869,209	21,549,793
0	0	0	0	4,754,330
0	0	0	0	5,037,460
0	0	0	76,935	1,009,761
0	0	0	40,954	40,954
0	0	0	229,434	229,434
0	0	0	0	665,905
0	0	0	4,616	4,616
0	0	0	1,672,188	1,672,188
4,155	10,029	12,296	0	2,502,364
0	0	1,198,672	1,924,042	3,122,714
706,674	283,326	0	177,376	1,373,587
683,919	321,680	44,762	80,695	1,152,618
21,241	22,056	0	0	43,297
4,543,350	0	0	0	4,543,350
5,959,339	637,091	1,255,730	4,206,240	26,152,578
(5,600,418)	(413,056)	(971,037)	662,969	(4,602,785)
0	0	1,405,000	835,000	2,240,000
4,720,000	0	0	0	4,720,000
0	0	0	319,068	725,874
18,230	0	0	0	18,230
0	0	318,159	20,692	347,568
976,255	706,646	281,253	622,000	7,662,283
0	0	(82,030)	(1,671,162)	(7,611,445)
5,714,485	706,646	1,922,382	125,598	8,102,510
114,067	293,590	951,345	788,567	3,499,725
609,472	339,252	(477,102)	1,714,377	15,118,335
0	0	0	(178)	(12,019)
\$723,539	\$632,842	\$474,243	\$2,502,766	\$18,606,041

**City of Huber Heights, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2001*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$3,499,725</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital Outlay	4,268,228
Depreciation	(3,762,907)
Excess of Capital Outlay over Depreciation Expense	505,321
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each sale.	
Proceeds from Sale of Fixed Assets	(347,568)
Gain on Assets Sold	192,181
	(155,387)
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:	
General Obligation Bond Principal Payments	5,206,674
Call Premium	43,350
Special Assessment Bond Principal Payments	283,326
Equipment/Vehicle Loan Principal Payments	383,587
	5,916,937
Some revenues that will not be collected for several months after the City's year end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts this year:	
Municipal Income Taxes	706,871
Property and Other Taxes	80,391
Intergovernmental	15,737
Special Assessments	2,873,656
Charges for Services	374,194
Fines, Licenses and Permits	(17,131)
Other	(266,835)
	3,766,883
Consumable inventory is reported using the purchase method on a modified accrual basis, but is reported using the consumption method for full accrual. This amount represents the decrease in inventory that took place during the year.	
	(12,019)
The issuance of long-term debt provides current financial resources to governmental funds, but in the statement of net assets, the debt is reported as a liability.	
General Obligation Bonds	(4,720,000)
Premiums on Refunding Bonds	(18,230)
Special Assessment Bonds	(2,240,000)
Equipment/Vehicle Loans	(725,874)
	(7,704,104)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:	
Net Increase in Deferred Charges	43,297
Net Decrease in Accrued Interest	10,640
Increase in Compensated Absences	(90,728)
Increase in Due to Other Governments	(96,991)
	(133,782)
Change in Net Assets of Governmental Activities	<b>\$5,683,574</b>

See accompanying notes to the basic financial statements

**City of Huber Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Municipal Income Taxes:	\$4,826,295	\$5,624,878	\$5,624,878	\$0
Property and Other Taxes	916,295	1,045,527	1,045,527	0
Intergovernmental	1,238,852	1,413,577	1,413,577	0
Special Assessment:	14,391	16,421	16,421	0
Charges for Services:	383,324	437,387	437,387	0
Fines, Licenses and Permits:	165,784	189,166	189,166	0
Interest	679,082	774,858	774,858	0
Rent	48,775	55,654	55,654	0
Other	104,997	126,148	126,148	0
<i>Total Revenues</i>	<u>8,377,795</u>	<u>9,683,616</u>	<u>9,683,616</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Other	730,873	735,454	676,275	59,179
Community Environment	828,346	841,592	775,218	66,374
General Government	2,574,612	3,315,564	3,070,850	244,714
Debt Service:				
Principal Retirement	62,114	62,114	62,114	0
Interest and Fiscal Charge:	6,878	6,878	6,878	0
<i>Total Expenditures</i>	<u>4,202,823</u>	<u>4,961,602</u>	<u>4,591,335</u>	<u>370,267</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,174,972</u>	<u>4,722,014</u>	<u>5,092,281</u>	<u>370,267</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Fixed Asset	895	1,021	1,021	0
Advances In	649,671	741,299	741,299	0
Advances Out	0	(718,937)	(718,937)	0
Operating Transfers In	66,719	76,129	76,129	0
Operating Transfers Out	0	(5,858,253)	(5,858,253)	0
<i>Total Other Financing Sources (Uses)</i>	<u>717,285</u>	<u>(5,758,741)</u>	<u>(5,758,741)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,892,257	(1,036,727)	(666,460)	370,267
<i>Fund Balance Beginning of Year</i>	5,125,196	5,125,196	5,125,196	0
Prior Year Encumbrances Appropriated	483,539	483,539	483,539	0
<i>Fund Balance End of Year</i>	<u>\$10,500,992</u>	<u>\$4,572,008</u>	<u>\$4,942,275</u>	<u>\$370,267</u>

See accompanying notes to the basic financial statement

**CITY OF HUBER HEIGHTS, OHIO**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property and Other Taxes	\$797,845	\$1,017,362	\$1,017,362	\$0
Intergovernmental	91,131	116,161	116,161	0
Charges for Services	1,583	2,019	2,019	0
Interest	2,194	2,797	2,797	0
Rent	1,289	1,644	1,644	0
Other	489,805	624,544	624,544	0
<i>Total Revenues</i>	<u>1,383,847</u>	<u>1,764,527</u>	<u>1,764,527</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	4,534,000	5,639,142	5,390,698	248,444
<i>Total Expenditures</i>	<u>4,534,000</u>	<u>5,639,142</u>	<u>5,390,698</u>	<u>248,444</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,150,153)</u>	<u>(3,874,615)</u>	<u>(3,626,171)</u>	<u>248,444</u>
<b>Other Financing Sources</b>				
Long-Term Loans Issued	74,897	95,500	95,500	0
Proceeds from Sale of Fixed Assets	4,137	5,275	5,275	0
Operating Transfers In	2,744,905	3,500,000	3,500,000	0
<i>Total Other Financing Sources</i>	<u>2,823,939</u>	<u>3,600,775</u>	<u>3,600,775</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(326,214)</u>	<u>(273,840)</u>	<u>(25,396)</u>	<u>248,444</u>
<i>Fund Balance at Beginning of Year</i>	1,202,668	1,202,668	1,202,668	0
Prior Year Encumbrances Appropriated	357,140	357,140	357,140	0
<i>Fund Balance at End of Year</i>	<u>\$1,233,594</u>	<u>\$1,285,968</u>	<u>\$1,534,412</u>	<u>\$248,444</u>

See accompanying notes to the basic financial statement:

**City of Huber Heights, Ohio**  
*Statement of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Lighting Fund  
 For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$370,000	\$376,741	\$376,741	\$0
<i>Total Revenues</i>	<u>370,000</u>	<u>376,741</u>	<u>376,741</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	441,373	441,373	441,196	177
<i>Total Expenditures</i>	<u>441,373</u>	<u>441,373</u>	<u>441,196</u>	<u>177</u>
<i>Excess of Revenues Under Expenditures</i>	(71,373)	(64,632)	(64,455)	177
<i>Fund Balance at Beginning of Year</i>	153,980	153,980	153,980	0
Prior Year Encumbrances Appropriated	41,373	41,373	41,373	0
<i>Fund Balance at End of Year</i>	<u>\$123,980</u>	<u>\$130,721</u>	<u>\$130,898</u>	<u>\$177</u>

See accompanying notes to the basic financial statements

**CITY OF HUBER HEIGHTS, OHIO**  
*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Police Fund  
For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$2,231,471	\$2,449,314	\$2,449,314	\$0
Property and Other Taxes	1,126,233	1,223,129	1,223,129	0
Intergovernmental	123,285	133,875	133,875	0
Charges for Services	57,291	62,219	62,219	0
Interest	4,097	4,449	4,449	0
Other	133,134	144,587	144,587	0
<i>Total Revenues</i>	<u>3,675,511</u>	<u>4,017,573</u>	<u>4,017,573</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	5,540,851	5,973,971	5,816,452	157,519
Debt Service:				
Principal Retirement	172,310	172,310	144,097	28,213
Interest and Fiscal Charges	16,551	16,551	14,684	1,867
<i>Total Expenditures</i>	<u>5,729,712</u>	<u>6,162,832</u>	<u>5,975,233</u>	<u>187,599</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,054,201)</u>	<u>(2,145,259)</u>	<u>(1,957,660)</u>	<u>187,599</u>
<b>Other Financing Sources</b>				
Long-Term Loans Issued	286,648	311,306	311,306	0
Proceeds from Sale of Fixed Assets	2,229	2,421	2,421	0
Operating Transfers In	1,381,187	1,500,000	1,500,000	0
<i>Total Other Financing Sources</i>	<u>1,670,064</u>	<u>1,813,727</u>	<u>1,813,727</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(384,137)</u>	<u>(331,532)</u>	<u>(143,933)</u>	<u>187,599</u>
<i>Fund Balance at Beginning of Year</i>	1,638,257	1,638,257	1,638,257	0
Prior Year Encumbrances Appropriated	387,087	387,087	387,087	0
<i>Fund Balance at End of Year</i>	<u>\$1,641,207</u>	<u>\$1,693,812</u>	<u>\$1,881,411</u>	<u>\$187,599</u>

See accompanying notes to the basic financial statements

**City of Huber Heights, Ohio**  
*Statement of Fund Net Assets*  
*Enterprise Funds*  
*December 31, 2001*

	Sewer	Water	Total
<b>Assets</b>			
<i>Current Assets:</i>			
Equity in Pooled Cash and Cash Equivalents	\$938,825	\$2,706,810	\$3,645,635
Receivables:			
Accounts	295,841	260,964	556,805
Special Assessments	55,371	0	55,371
Accrued Interest	0	11,517	11,517
Prepaid Items	2,096	4,658	6,754
Supplies Inventory	0	785	785
<i>Total Current Assets</i>	<u>1,292,133</u>	<u>2,984,734</u>	<u>4,276,867</u>
<i>Non-current Assets:</i>			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	0	60,000	60,000
Cash and Cash Equivalents with Fiscal Agents	0	1,372,417	1,372,417
Capital Assets:			
Nondepreciable Capital Assets	14,985	373,100	388,085
Depreciable Capital Assets, Net	8,875,762	13,280,735	22,156,497
Investment in Joint Venture	11,349,818	0	11,349,818
<i>Total Non-current Assets</i>	<u>20,240,565</u>	<u>15,086,252</u>	<u>35,326,817</u>
<i>Total Assets</i>	<u>21,532,698</u>	<u>18,070,986</u>	<u>39,603,684</u>
<b>Liabilities</b>			
<i>Current Liabilities:</i>			
Accounts Payable	114	444	558
Accrued Salaries Payable	2,232	3,658	5,890
Accrued Interest Payable	103,978	0	103,978
Due to Other Governments	309,348	106,918	416,266
Compensated Absences Payable	1,909	1,544	3,453
OWDA Loan Payable	297,587	0	297,587
Payable from Restricted Assets:			
Accrued Interest Payable	0	26,487	26,487
Current Portion of Revenue Bonds	0	872,155	872,155
<i>Total Current Liabilities</i>	<u>715,168</u>	<u>1,011,206</u>	<u>1,726,374</u>
<i>Long-Term Liabilities:</i>			
Compensated Absences Payable	1,327	2,211	3,538
OWDA Loan Payable	5,103,892	0	5,103,892
Revenue Bonds Payable	0	11,461,166	11,461,166
<i>Total Long-Term Liabilities</i>	<u>5,105,219</u>	<u>11,463,377</u>	<u>16,568,596</u>
<i>Total Liabilities</i>	<u>5,820,387</u>	<u>12,474,583</u>	<u>18,294,970</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	3,489,268	1,320,514	4,809,782
Restricted:			
Revenue Bonds Improvement and Replacement	0	60,000	60,000
Revenue Bonds Current Debt Service	0	1,140,000	1,140,000
Unrestricted	12,223,043	3,075,889	15,298,932
<i>Total Net Assets</i>	<u>\$15,712,311</u>	<u>\$5,596,403</u>	<u>\$21,308,714</u>

See accompanying notes to the basic financial statements

**City of Huber Heights, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Enterprise Funds  
For the Year Ended December 31, 2001*

	Sewer	Water	Total
<b>Operating Revenues</b>			
Charges for Services	\$2,604,138	\$1,671,962	\$4,276,100
Charges for Services - Pledged for Debt Service	0	717,930	717,930
Tap-In Fees	35,700	63,450	99,150
Rent	0	26,400	26,400
Other	63	0	63
<i>Total Operating Revenues</i>	<u>2,639,901</u>	<u>2,479,742</u>	<u>5,119,643</u>
<b>Operating Expenses</b>			
Personal Services	49,986	80,394	130,380
Operations and Maintenance	2,226,655	1,460,481	3,687,136
Depreciation	210,139	298,012	508,151
<i>Total Operating Expenses</i>	<u>2,486,780</u>	<u>1,838,887</u>	<u>4,325,667</u>
<i>Operating Income</i>	<u>153,121</u>	<u>640,855</u>	<u>793,976</u>
<b>Non-Operating Revenues (Expenses)</b>			
Interest	26,736	157,939	184,675
Interest and Fiscal Charges	(210,739)	(696,228)	(906,967)
Increase in Fair Value of Investments	0	7,970	7,970
Return on Investment in Joint Venture	195,401	0	195,401
<i>Total Non-Operating Revenues (Expenses)</i>	<u>11,398</u>	<u>(530,319)</u>	<u>(518,921)</u>
<i>Income Before Capital Contributions and Transfers</i>	164,519	110,536	275,055
Capital Contributions	44,210	353,544	397,754
Transfers Out	0	(50,838)	(50,838)
<i>Change in Net Assets</i>	208,729	413,242	621,971
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>15,503,582</u>	<u>5,183,161</u>	<u>20,686,743</u>
<i>Net Assets End of Year</i>	<u>\$15,712,311</u>	<u>\$5,596,403</u>	<u>\$21,308,714</u>

See accompanying notes to the basic financial statements



**City of Huber Heights, Ohio**  
*Statement of Cash Flows*  
*Enterprise Funds*  
For the Year Ended December 31, 2001

	Sewer	Water	Total
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$2,648,032	\$2,483,863	\$5,131,895
Other Operating Receipts	63	0	63
Cash Payments for Employee Services and Benefit	(47,341)	(77,613)	(124,954)
Cash Payments to Suppliers for Goods and Service:	(2,239,373)	(1,467,262)	(3,706,635)
<i>Net Cash Provided by Operating Activities</i>	<u>361,381</u>	<u>938,988</u>	<u>1,300,369</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Transfers - Out	<u>0</u>	<u>(50,838)</u>	<u>(50,838)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Interest Paid on OWDA Loan Payable	(216,254)	0	(216,254)
Principal Paid on OWDA Loan Payable	(286,452)	0	(286,452)
Interest Paid on Revenue Bonds Payable	0	(338,092)	(338,092)
Principal Paid on Revenue Bonds Payable	0	(450,000)	(450,000)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(502,706)</u>	<u>(788,092)</u>	<u>(1,290,798)</u>
<b>Cash Flows from Investing Activities</b>			
Interest	<u>26,736</u>	<u>160,441</u>	<u>187,177</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(114,589)	260,499	145,910
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,053,414</u>	<u>3,878,728</u>	<u>4,932,142</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$938,825</u>	<u>\$4,139,227</u>	<u>\$5,078,052</u>

(Continued)

**City of Huber Heights, Ohio**  
*Statement of Cash Flows*  
*Enterprise Funds*  
For the Year Ended December 31, 2001  
(Continued)

	Sewer	Water	Total
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</b>			
<b>Operating Income</b>	\$153,121	\$640,855	\$793,976
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Depreciation	210,139	298,012	508,151
<b>Changes in Assets and Liabilities:</b>			
Decrease in Accounts Receivable	8,151	4,121	12,272
Decrease in Special Assessments Receivable	43	0	43
Increase in Prepaid Items	(95)	(204)	(299)
Increase in Supplies Inventory	0	(163)	(163)
Decrease in Accounts Payable	(23,998)	(112,836)	(136,834)
Decrease in Contracts Payable Retainage	(1,098)	0	(1,098)
Increase in Accrued Salaries Payable	1,129	1,844	2,973
Increase in Due to Other Government	12,637	106,710	119,347
Increase in Compensated Absences Payable	1,352	649	2,001
<i>Net Cash Provided by Operating Activities</i>	<u>\$361,381</u>	<u>\$938,988</u>	<u>\$1,300,369</u>

Non-Cash Transactions:

During 2001, the governmental funds purchased infrastructure for the Sewer and Water Enterprise Funds with a fair market value of \$44,210 and \$353,544 respectively. The Water Enterprise Fund had an increase in fair value capital investments of \$7,970. Also, the Water Enterprise Fund had accretion of capital appreciation bonds in the amount of \$359,823.

See accompanying notes to the basic financial statement:

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY**

The City of Huber Heights ("the City") is a charter municipal corporation operating under the laws of the State of Ohio. The community was established in 1810 as Wayne Township and was granted City status on November 29, 1979. It was incorporated on January 23, 1981. The charter was adopted on November 8, 1983 and became effective January 1, 1984. The municipal government provided by the charter is known as a Council/Manager form of government. Legislative power is vested in a nine-member Council, six members elected by wards and two elected at large, and a Mayor who is elected separately. The Council appoints a City Manager. The City Manager is the Chief Executive and Administrative Officer and the head of the administrative agencies of the City. He appoints all department/division heads and employees, except the City Attorney and Clerk of Council, who are appointed by City Council.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City. The primary government provides various services including police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, community development, public health and welfare, and sewer and water. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board; and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City authorizes the issuance of debt or the levying of their taxes, or determines the budget. The City does not have any component units included in its reporting entity.

The City participates in the Tri-Cities North Regional Wastewater Authority (Wastewater Authority) and the Joint Economic Development District (JEDD), which are defined as joint ventures. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. These organizations are presented in Note 17.

The City also participates in the Miami Valley Regional Planning Commission (the Commission), the Miami Valley Fire/EMS Alliance (the Alliance), and the Economic Development/Government Equity (ED/GE) Program, which are defined as jointly governed organizations. A jointly governed organization is governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 18.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Huber Heights have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The most significant of the City's accounting policies are described below.

**Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the City.

**Fund Financial Statements**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The City uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds utilized by the City: governmental and proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major governmental funds:

General Fund - This fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Fire Fund – This fund is used to account for voted tax millage and miscellaneous revenue to finance the fire department operation.

Lighting Fund - This fund is used to account for special assessments to provide street lighting within the City neighborhoods.

Police Fund – This fund is used to account for voted tax millage to finance the police department operation and for a portion of City income tax which is to be used for police department operation.

General Obligation Bond Retirement Fund – This fund is used to account for various revenues collected for the payment of general obligation bonded debt.

Special Assessment Bond Retirement Fund – This fund is used to account for special assessments collected for the payment of special assessment bonded debt with governmental commitment.

Capital Improvement Fund – This fund is used to account for grant and bond revenues used to purchase equipment and construct buildings.

The other governmental funds of the City account for grants and other resources whose use is restricted for a particular purpose.

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are enterprise funds.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City’s major enterprise funds:

Sewer Fund - This fund is used to account for the provision of sanitary sewer service to the residents of the City.

Water Fund – This fund is used to account for the provision of water service to certain residents and businesses within the City.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the City are included on the Statement on Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its enterprise activities.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; enterprise funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transaction

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, municipal income taxes, grants, entitlements, shared revenues and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from municipal income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income taxes, charges for services, fines and forfeitures, state-levied locally shared taxes (including gasoline tax), grants, and interest.

Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2001, but were levied to finance 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds, except cash held by fiscal agents, are maintained in this pool. Individual fund integrity is maintained through City records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Cash and cash equivalents that are held separately in accounts at a financial institution for retainages and bond reserve and debt service and not held with the Finance Director are reported as "cash and cash equivalents with fiscal agents" and represent deposits.

During 2001, the City invested in the State Treasury Asset Reserve of Ohio (STAR Ohio), The One Group Money Market Mutual Fund, STAR Trust Money Market Mutual Fund, Federal Farm Credit Bank Bonds, Federal National Mortgage Association Bonds, and a repurchase agreement.

Investments are reported at fair value which is based on quoted market prices, with the exception of nonparticipating repurchase agreements, which are reported at cost. For investments in open-end mutual funds, fair value is determined by the fund's share price.

The City has invested funds in STAR Ohio during 2001. STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2001.

Interest income is distributed to the funds according to charter and statutory requirements. Interest revenue of \$725,525 was credited to the General Fund during 2001, which includes \$493,758 assigned from other City funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash equivalents on the financial statements.



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2001, are recorded as prepaid items using the consumption method. A current asset is recorded for the prepaid amount at the time of purchase and reflects the expenditure/expense in the year in which services are consumed.

Inventory of Supplies

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

Inventory consists of expendable supplies held for consumption.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets in the enterprise funds represent cash and cash equivalents and cash and cash equivalents with fiscal agents set aside for the improvement and replacement of fixed assets originally acquired with bond proceeds and for repayment of current debt service on revenue bonds that are required by the bond indenture to be held by a financial services corporation.

Capital Assets

General capital assets are capital assets that are associated with and generally rise from governmental activities. They generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net assets and in the respective funds.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values on the date donated. The City maintains a capitalization threshold of five thousand dollars. The City’s infrastructure consists of streets, bridges, sidewalks, curbs, gutters, lighting systems, storm and sanitary sewer lines, and water lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expended.

All capital assets except for land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacements. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30-50 years
Equipment	3-20 years
Furniture, Fixtures and Improvements	7-20 years
Vehicles	5-20 years
Infrastructure	20-60 years

**Interfund Receivables/Payables**

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables/payables.” On fund financial statements, long-term interfund loans are classified as a fund balance reserve account on the balance sheet which indicates that they do not constitute available expendable resources. Interfund balances are eliminated on the government-wide statement of net assets except for any net residual amounts due between governmental and business-type activities, which are presented as “internal balances”.

**Compensated Absences**

Vacation, personal leave and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation, personal leave and compensatory time when earned for all employees with more than six months of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all PERS employees after 17 years of current service, while the City records a liability for all Police and Fire employees after 15 years of current service.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims, contractually required pension contributions, and compensated absences that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans and bonds are recognized as liabilities on the governmental fund financial statements when due.

Capital Contributions

Contributions of capital arise from outside contributions of fixed assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City's applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The City's sewer and water enterprise funds have restricted net assets relative to those resources necessary to comply with various covenants of bond financing agreements.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for sewer and water utility services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances, supplies inventory, long-term interfund loans and unclaimed monies are recorded as a reservation of fund balance.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Bond Discounts/Issuance Costs/Compounded Interest on Capital Appreciation Bonds

Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each year for the compounded interest accrued during the year. Bond discounts and the compounded interest on the capital appreciation bonds are presented as an reduction/addition of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Process

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations resolution is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level for all funds. The Finance Director has been authorized to allocate appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2001.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY

Changes in Accounting Principles

For 2001, the City has implemented GASB Statement No. 33, “Accounting and Financial Reporting for Nonexchange Transactions”, GASB Statement No. 34, “Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments”, GASB Statement No. 36, “Recipient Reporting for Certain Shared Non-exchange Revenues”, GASB Statement No. 37, “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments: Omnibus”, Statement No. 38, “Certain Financial Statement Note Disclosures”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.”

GASB Statements No. 33 and 36 establish accounting and financial reporting standards for nonexchange transactions involving financial or capital resources. The timing for the recognition of assets, liabilities, and expenditures/expenses resulting from nonexchange transactions will be the same whether the accrual or modified accrual basis of accounting is required. For revenue recognition to occur on the modified accrual basis, however, the criteria established for accrual basis revenue recognition must be met and the revenue must be available.

GASB 34 creates new basic financial statements for reporting on the City’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements split the City’s programs between governmental and business-type activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at December 31, 2000, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the MD&A, the classification of program revenues and the criteria for determining major funds.

GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY (Continued)**

The City has also implemented a new capital asset policy which increases the capitalization threshold for capital assets from \$1,000 to \$5,000. The reason for the change was to reduce the cost of maintaining capital asset information by significantly reducing the number of items tracked. For general capital assets, the balance at December 31, 2000, changed by \$1,213,378, from \$18,104,055 to \$16,890,677. For the enterprise funds, the balance changed by \$41,978, from \$20,651,592 to \$20,609,614.

Restatement of Fund Balance

The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Fire</u>	<u>Lighting</u>
Fund Balances, December 31, 2000	\$9,604,313	\$1,225,464	\$195,353
GASB Interpretation No. 6	4,326	30,943	0
GASB 33/36 Adjustments:			
Municipal Income Tax	103,362	0	0
Due from Other Governments	0	(9,571)	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Fund Balance, December 31, 2000	<u>\$9,712,001</u>	<u>\$1,246,836</u>	<u>\$195,353</u>
		General Obligation Bond	Special Assessment Bond
	<u>Police</u>	<u>Retirement</u>	<u>Retirement</u>
Fund Balances, December 31, 2000	\$1,767,436	\$609,472	\$339,252
GASB Interpretation No. 6	12,876	0	0
GASB 33/36 Adjustments:			
Municipal Income Tax	0	0	0
Due from Other Governments	(2,166)	0	0
Deferred Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Adjusted Fund Balance, December 31, 2000	<u>\$1,778,146</u>	<u>\$609,472</u>	<u>\$339,252</u>

(continued)

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY (Continued)**

	Capital Improvement	Nonmajor	Total
Fund Balances (Deficit), December 31, 2000	(\$477,102)	\$1,844,533	\$15,108,721
GASB Interpretation No. 6	0	3,956	52,101
GASB 33/36 Adjustments:			
Municipal Income Tax	0	91,295	194,657
Due from Other Governments	0	(26,032)	(37,769)
Deferred Revenue	0	(199,375)	(199,375)
Adjusted Fund Balance (Deficit), December 31, 2000	<u>(\$477,102)</u>	<u>\$1,714,377</u>	15,118,335
GASB 34 Adjustments:			
Capital Assets			93,559,642
Due to Other Governments			(428,544)
Accrued Interest Payable			(96,631)
Long-Term Liabilities			(17,891,104)
Long-Term (Deferred) Assets			<u>8,162,863</u>
Governmental Activities Net Assets, December 31, 2000			<u>\$98,424,561</u>

Capital assets were restated in the enterprise funds as of December 31, 2000, due to recording of prior year dedicated assets from developers.

	Sewer	Water	Total Business-Type Activities
Net Assets, December 31, 2000	\$14,629,557	\$4,053,800	\$18,683,357
Capital Assets	<u>874,025</u>	<u>1,129,361</u>	<u>2,003,386</u>
Adjusted Net Assets, December 31, 2000	<u>\$15,503,582</u>	<u>\$5,183,161</u>	<u>\$20,686,743</u>

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position and results of operations on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual, presented for the General Fund, and Fire, Lighting, and Police Special Revenue Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (Continued)**

3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).
4. Unreported cash represents amounts received but not included as revenue on the budget basis operating statements. These amounts are included as revenue on the GAAP basis operating statements.
5. Receipt and payment of year-end intrafund loans are treated as other sources or uses (budget basis) rather than an increase or decrease in an asset or liability account (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis for the General Fund, and the Fire, Lighting, and the Police Special Revenue Funds are as follows:

	Net Change in Fund Balance			
	General Fund	Fire Fund	Lighting Fund	Police Fund
GAAP Basis	(\$90,491)	\$660,118	\$11,871	\$770,658
Adjustments:				
Revenue Accruals	278,386	(49,002)	0	(123,349)
Expenditure Accruals	(79,951)	(41,648)	296	(88,982)
Unrecorded Cash	(57,148)	(145)	0	(12,250)
Prepaid Items	11,530	(2,162)	0	6,156
Change in Fair Value of Investments	(6,970)	0	0	0
Encumbrances	(744,178)	(592,557)	(76,622)	(696,166)
Advances	22,362	0	0	0
Budget Basis	<u>(\$666,460)</u>	<u>(\$25,396)</u>	<u>(\$64,455)</u>	<u>(\$143,933)</u>

**NOTE 5 - FUND DEFICITS**

The following governmental funds had fund balances deficits at December 31, 2001:

	Deficit
Community Development Block Grant Special Revenue Fund	\$9,664
Highway Safety Special Revenue Fund	4,165
Protection, Retention and Contingency-Development Reserve Special Reserve Fund	9,365
Storm Water Management Special Revenue Fund	4,489

The deficits in the special revenue funds are a result of fund liabilities. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

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**NOTE 6 - DEPOSITS AND INVESTMENTS**

The investment and deposit of City monies are governed by the Ohio Revised Code. State statutes classify monies held by the City into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Inactive monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

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**NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)**

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Interim deposits in duly authorized depositories of the City, provided those deposits are properly insured or collateralized as required by law;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of Ohio, as to which there is no default of principal, interest or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Finance Director or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the City had \$35,019 in undeposited cash on hand which is included on the balance sheet of the City as part of "equity in pooled cash and cash equivalents". The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits

At year end, the carrying amount of the City's deposits was \$201,183 and the related bank balance was \$342,259. Of the bank balance, \$200,000 was covered by federal deposit insurance, and \$142,259 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the City's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

Investments

GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the City's investments be classified in categories of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The One Group Treasury Only Money Market Mutual Fund (The One Group), the STAR Trust Money Market Mutual Fund, and STAR Ohio, an investment fund operated by the Ohio State Treasurer, are unclassified since they are not evidenced by securities that exist in physical or book entry form.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)**

	Category 2	Category 3	Carrying and Fair Value
STAR Ohio	\$0	\$0	\$17,611,113
The One Group Money Market Mutual	0	0	3,081,163
STAR Trust Money Market Mutual	0	0	864,447
Federal National Mortgage Association Bonds	506,970	0	506,970
Federal Farm Credit Bank Bonds	507,970		507,970
Repurchase Agreement	0	674,672	674,672
<b>Total</b>	<b>\$1,014,940</b>	<b>\$674,672</b>	<b>\$23,246,335</b>

The classification of cash and cash equivalents, and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9. The reconciliation between classifications of cash and investments in the basic financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$23,482,537	\$0
Cash on Hand	(35,019)	0
STAR Ohio	(17,611,113)	17,611,113
The One Group Money Market Mutual	(3,081,163)	3,081,163
STAR Trust Money Market Mutual	(864,447)	864,447
Federal Farm Credit Bank Bonds	(507,970)	507,970
Federal National Mortgage Association Bonds	(506,970)	506,970
Repurchase Agreement	(674,672)	674,672
<b>GASB Statement 3</b>	<b>\$201,183</b>	<b>\$23,246,335</b>

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2001, consisted of property and other taxes, municipal income taxes, accounts (including emergency medical services and billings for utility service), special assessments, accrued interest, and intergovernmental receivables arising from entitlements, grants, and shared revenues. Utility Accounts Receivable at December 31, 2001, was \$554,268, while rent and other accounts receivable are \$2,537, for total accounts receivable of \$556,805. All receivables, except some municipal income tax revenues and emergency medical service charges for services revenues, are considered collectible in full. Some municipal income tax revenues for outstanding accounts greater than three years old are considered uncollectible, as well as emergency medical service calls that have insurance adjustments or no further collections from indigents. Total municipal income taxes receivable was \$4,225,675, and the uncollectible portion was \$1,119,402, for a net receivable of \$3,106,273. Total emergency medical service calls receivable was \$801,083 and the uncollectible portion was \$323,910, for net accounts receivable of \$477,173. Total net accounts receivable of \$499,568 is the sum of other miscellaneous accounts receivable of \$22,395 and the \$477,173.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

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NOTE 7 - RECEIVABLES (Continued)

Special assessments expected to be collected in more than one year in the Lighting Special Revenue Fund, Special Assessment Bond Retirement Debt Service Fund, the Capital Improvement Capital Projects Fund, and the Sewer Enterprise Fund amount to \$1,853,872, \$4,454,548, \$191,086, and \$25,419, respectively. At December 31, 2001, the amount of delinquent special assessments was \$47,823.

Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2001 for real and public utility property taxes represents collections of the 2000 taxes. Property tax payments received during 2001 for tangible personal property (other than public utility property) is for 2001 taxes.

2001 real property taxes are levied after October 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2001 real property taxes are collected in and intended to finance 2002.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after October 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after October 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2001, was \$11.68 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2001 property tax receipts were based are as follows:

Real Property	\$504,948,830
Public Utility Tangible Personal Property	18,746,860
Tangible Personal Property	<u>43,899,872</u>
Total	<u><u>\$567,595,562</u></u>

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

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NOTE 7 – RECEIVABLES (Continued)

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Huber Heights. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2001, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2001 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

Income Taxes

The City levies a municipal income tax of 1.95% on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100% of the City's current tax rate. Additional increases in the income tax rate require voter approval.

Employers within the City are required to withhold income tax on employee compensation and remit the tax at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. Income tax proceeds are to be used to pay the cost of administering the tax and for general, police operations, fire capital, street operations and local street capital improvement fund operations.

Due from Other Governments

A summary of intergovernmental receivables follows:

Governmental Activities

Liquor Permits	\$1,685
Local Government Assistance	505,136
Local Government	97,357
Homestead and Rollback	167,089
Street Tree Grant	17,080
City of Hamilton	140
Huber Heights City School District	506
Montgomery County Courts	19,574
Personal Property Exemption	30,801
Estate Tax	30,224

(Continued)

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 7 – RECEIVABLES (Continued)**

EMS Grant	\$6,556
Ohio Police and Fire Pension Fund	45,500
FEMA reimbursement for World Trade Center aid	22,161
DARE officer reimbursement	2,917
Huber Heights Jaycees	1,409
Bullet Proof Vest Grant	3,838
Bingo Security	578
Montgomery County CANE reimbursement	1,943
Common Pleas Court	80
Capital Improvement Grant	147,839
Community Development Block Grant	15,171
Motor Vehicle License Tax	222,991
Gasoline Tax	337,071
Highway Safety Grant	4,165
Prevention, Retention and Contingency-Development Grant	10,405
Department of Justice	5,440
Total Intergovernmental Receivables	<u>\$1,697,656</u>

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2001, was as follows:

	Restated Balance at 12/31/00	Additions	Deductions	Balance at 12/31/01
Governmental Activities				
Capital Assets, not being Depreciated:				
Land	\$19,094,464	\$26,831	(\$95,857)	\$19,025,438
Construction in Progress	1,800,308	3,008,957	(4,809,265)	0
Total Capital Assets, not being Depreciated	20,894,772	3,035,788	(4,905,122)	19,025,438
Depreciable Capital Assets:				
Buildings	9,476,450	0	0	9,476,450
Equipment	1,841,790	400,387	(110,702)	2,131,475
Furniture, Fixtures and Improvements	401,965	0	0	401,965
Vehicles	3,116,483	511,927	(108,482)	3,519,928

(Continued)

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 8 – CAPITAL ASSETS (Continued)**

	Restated Balance at 12/31/00	Additions	Deductions	Balance at 12/31/01
Infrastructure				
Bridges	\$616,000	\$0	\$0	\$616,000
Roads	154,111,472	4,886,544	0	158,998,016
Storm Sewers	7,848,654	35,345	0	7,883,999
Other	4,288,879	207,502	0	4,496,381
Total Depreciable Capital Assets	181,701,693	6,041,705	(219,184)	187,524,214
Total Capital Assets at Historical Cost	202,596,465	9,077,493	(5,124,306)	206,549,652
Less Accumulated Depreciation:				
Buildings	(1,285,384)	(189,987)	0	(1,475,371)
Equipment	(887,267)	(144,623)	68,386	(963,504)
Furniture, Fixtures and Improvements	(76,664)	(17,429)	0	(94,093)
Vehicles	(1,171,985)	(312,653)	91,268	(1,393,370)
Infrastructure				
Bridges	(413,187)	(9,075)	0	(422,262)
Roads	(101,709,172)	(2,732,195)	0	(104,441,367)
Storm Sewers	(1,327,872)	(132,055)	0	(1,459,927)
Other	(2,165,292)	(224,890)	0	(2,390,182)
Total Accumulated Depreciation	(109,036,823)	(3,762,907)	159,654	(112,640,076)
Depreciable Capital Assets, Net	72,664,870	2,278,798	(59,530)	74,884,138
Governmental Activities Capital Assets, Net	\$93,559,642	\$5,314,586	(\$4,964,652)	\$93,909,576
Business-Type Activities				
Capital Assets, not being Depreciated:				
Land	\$373,100	\$0	\$0	\$373,100
Construction in Progress	186,705	251,225	(422,945)	14,985
Total Capital Assets, not being Depreciated	559,805	251,225	(422,945)	388,085
Depreciable Capital Assets:				
Buildings	5,003,067	0	0	5,003,067
Equipment	75,019	0	0	75,019

(Continued)

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 8 – CAPITAL ASSETS (Continued)**

	Restated Balance at 12/31/00	Additions	Deductions	Balance at 12/31/01
Infrastructure				
Sewer Lines	\$9,495,575	\$29,225	\$0	\$9,524,800
Water Lines	10,368,163	540,249	0	10,908,412
Total Depreciable Capital Assets	24,941,824	569,474	0	25,511,298
Total Capital Assets at Historical Cost	25,501,629	820,699	(422,945)	25,899,383
Less Accumulated Depreciation:				
Buildings	(656,327)	(100,065)	0	(756,392)
Equipment	(50,141)	(10,908)	0	(61,049)
Infrastructure				
Sewer Lines	(1,082,681)	(189,404)	0	(1,272,085)
Water Lines	(1,057,501)	(207,774)	0	(1,265,275)
Total Accumulated Depreciation	(2,846,650)	(508,151)	0	(3,354,801)
Depreciable Capital Assets, Net	22,095,174	61,323	0	22,156,497
Business-Type Activities Capital Assets, Net	\$22,654,979	\$312,548	(\$422,945)	\$22,544,582

Depreciation expense was charged to governmental programs as follows:

Security of Persons and Property	
Fire	\$147,815
Police	238,575
Other	8,034
Leisure Time Activities	37,060
Community Environment	3,108,473
Transportation	
Other Governmental Funds	119,717
General Government	103,233
Total Depreciation Expense	<u>\$3,762,907</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

**Public Employees Retirement System**

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS (Continued)**

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. The 2001 employer pension contribution rate for the City was 9.25 percent of covered payroll, increased from 6.54 percent in 2000. For 2000, PERS instituted a temporary employer rate rollback for state and local governments. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2001, 2000, and 1999 were \$295,826, \$140,376, and \$220,384, respectively. The full amount has been contributed for 2000 and 1999. 71 percent has been contributed for 2001, with the remainder being presented as "due to other governments" in the governmental activities column of the statement of net assets.

**Ohio Police and Fire Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

For 2001, police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.00 percent for police and 16.50 percent for firefighters. For 2000, the City contributions were 12.25 percent for police and 16.75 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$381,517 and \$414,255 for the year ended December 31, 2001, \$371,532 and \$418,998 for the year ended December 31, 2000, and \$340,003 and \$394,319 for the year ended December 31, 1999. The full amount has been contributed for 2000 and 1999. 68 percent and 65 percent, respectively, have been contributed for 2001 with the remainder being presented as "due to other governments" in the governmental activities column of the statement of net assets.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**Public Employees Retirement System**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2001 employer contribution rate was 13.55 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2001. For 2000, the contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 10 - POSTEMPLOYMENT BENEFITS (Continued)**

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 411,076. The City's actual contributions for 2001 which were used to fund postemployment benefits were \$137,519. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

**Ohio Police and Fire Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.50 percent of covered payroll was applied to the postemployment health care program during 2001. For 2000, the percent used to fund healthcare was 7.25 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2001 that were used to fund postemployment benefits were \$232,207 for police and \$188,298 for fire. The OP&F's total health care expenses for the year ended December 31, 2000, (the latest information available) were \$106,160,054, which was net of member contributions of \$5,657,431. The number of OP&F participants eligible to receive health care benefits as of December 31, 2000, was 12,853 for police and 10,037 for firefighters.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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NOTE 11 – OTHER EMPLOYEE BENEFITS

Deferred Compensation Plans

City employees and elected officials may participate in a statewide deferred compensation plan, the Aetna deferred compensation plan, or the ICMA Retirement Corporation. These plans were created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service and union contract, employment contract or personnel policy manual. All employees may accrue a maximum of total hours accrued in the past two calendar years, except for firefighters. For the firefighters, vacation can carry over into the next calendar year at a maximum of 264 hours. The City Manager is allowed to grant requests for the carry over of additional leave, but the carryover must be used within 90 days. In the event of resignation with two weeks notice, death, or retirement, employees (or their estates) are paid for unused vacation leave.

Accumulated Unpaid Personal Leave

City employees are entitled to personal leave at varying rates based upon union contract, employment contract or personnel policy manual. If the hours are not used within the calendar year, the City Manager is allowed to grant requests for the carry over of personal leave, but the carry over must be used within 90 days. In addition, the City agrees to grant eight hours personal leave at year end to any non-union employee that does not exceed eight hours of sick leave usage during the previous calendar year. This additional amount may be carried over, but it must be used within 90 days.

Accumulated Unpaid Sick Leave

City employees earn sick leave at the rate of 5.0 hours per eighty hours of service. There is no maximum carry over from year to year. In the case of death or retirement, employees (or the employees' estates) are paid for their accumulated leave with 480 hours being the maximum amount paid, except for firefighters. For the firefighters, payment is made for up to 360 hours for those employees with 5-20 years experience. Employees with at least 20 years experience will be paid up to 600 hours.

Accumulated Unpaid Compensatory Time

From time to time, employees may need, with prior approval from their supervisors, to work overtime. These overtime hours will usually be paid at the appropriate overtime rate; however, certain union employees by contract have the choice to take overtime pay or accrue compensatory time at one and one half times the amount of hours worked. The Street Department and clerk and secretaries of the Police Department can accumulate compensatory time up to 80 hours. For the police officers, compensatory time can be accumulated up to 90 hours, while dispatchers can accumulate up to 40 hours. In the event of a termination of employment, death, or retirement, employees (or their estates) are paid for unused compensatory time.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 12 - CONTRACTUAL COMMITMENTS**

As of December 31, 2001, the City had contractual purchase commitments as follows:

Company	Project	Contract Amount	Amount Expended	Balance at 12/31/2001
Earth Tech Operations	Water Startup	\$41,309	\$5,727	\$35,582
Bricker and Eckler, LLP	Troy V Construction Executive Boulevard	20,000	8,171	11,829
Bricker and Eckler, LLP	Construction	15,000	0	15,000
Bricker and Eckler, LLP	Troy V	20,000	0	20,000
Charles F. Jergens Construction	Executive Boulevard Construction	83,718	65,480	18,238
R. B. Jergens Contractors, Inc.	Executive Boulevard Construction	158,555	138,528	20,027
The Wagner Smith Company	I-70 Traffic	9,600	0	9,600
Charles F. Jergens Construction	Old Troy Pike ,074III Construction	578,976	543,030	35,946
The Wagner Smith Company	Traffic Signal at Coke	53,495	46,617	6,878
Bricker and Eckler, LLP	Old Troy Pike III Construction Executive Boulevard	10,000	4,750	5,250
Bricker and Eckler, LLP	Construction	15,000	4,500	10,500
Charles F. Jergens Construction	I-70 III	919,086	855,716	63,370
John R Jurgenson Company	I-70 Widening	74,638	59,621	15,017
Bricker and Eckler, LLP	Troy VI	15,000	1,963	13,037
Crouch Fire and Safety Products	Strip Medic	10,550	5,288	5,262
Huber Heights Southwest	Troy West Neighborhood Empowerment Program	60,602	42,263	18,339
Vectren Corporation	Gasline extension for Executive Boulevard III	41,600	0	41,600
Sanderson CMI	Tax System	146,478	128,742	17,736
Mad River Engineering	Engineering Services - Wildcat	11,680	5,180	6,500
Jones and Henry Engineering	Storm Water Management Program	14,950	4,464	10,486
LJB Incorporated	I-70	70,000	63,000	7,000
Planet Ford	Police Cruisers	123,419	0	123,419
Jergens Bales Contractors	Wildcat Improvements III	22,000	0	22,000
Pyper Construction	Excavate and Embank Commerce Park 70	23,035	0	23,035
HTE Inc.	Software and Training	180,169	124,095	56,074

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

The City pays an annual premium to Wickert Insurance Services. The types of coverage and the deductibles per occurrence are as follows:

<u>Type of Coverage</u>	<u>Limit</u>	<u>Deductible</u>
General Liability – Per Claim	\$1,000,000	\$0
Law Enforcement Liability – Per Claim	1,000,000	1,000
Public Official	2,000,000	5,000
Automobile – Per Claim	1,000,000	1,000
Inland Marine	1,045,688	500
Property Insurance – except Water Department	11,447,347	1,000
Property Insurance – Water Department	58,995,140	5,000
Umbrella Liability – Per Claim	1,000,000	0

Boiler and machinery are included with property insurance. Physical damage risks are insured by the City up to actual cash value of the scheduled property less the deductible listed for the class of property for each accident and location. All property risks, which include physical damage coverage on specialized-use vehicles (fire trucks and emergency vehicles), are fully insured through the City's private insurance carrier.

Settled claims have not exceeded this coverage in any of the past three years. There has been no material change in this coverage from the prior year.

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The City allows employees to choose between an HMO or the City's self insured program for health care benefits. In addition to healthcare, the City also offers dental and optical insurance benefits through its self insured program. Each department/division receives appropriations to cover estimated claims and administrative fees. The medical plan has a \$200 deductible and pays 90% of most covered costs up to a maximum out-of-pocket amount per covered person per year of \$1,200. Any covered costs incurred over that amount during any one plan year are covered 100%. The dental plan has a \$25 deductible and covers 80% of preventative care and 50% of all other dental work with a maximum benefit each year per person of \$1,000. The optical plan provides reimbursement of 100% of costs incurred up to \$200. A third party administrator, Underwriter Safety and Claims, located in Louisville, Kentucky, reviews all claims which the City then pays. The City purchases stop-loss coverage for claims over \$40,000 per employee, per year.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 13 - RISK MANAGEMENT (Continued)**

During 2001, a total of \$1,674,797 was paid in benefits and administrative costs. The claims liability of \$72,234 reported at December 31, 2001, as estimated by an analysis of claim payments, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims cost be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The claims liability was determined by reviewing invoices for claims paid in January through March 2002 which were incurred in 2001. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the funds' claims liability amount in 2000 and 2001 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
<u>General Fund:</u>				
2000	\$8,440	\$69,463	\$64,692	\$13,211
2001	13,211	35,300	46,059	2,452
<u>Fire Fund:</u>				
2000	\$85,159	\$456,156	\$441,405	\$99,910
2001	99,910	865,043	913,172	51,781
<u>Police Fund:</u>				
2000	\$38,302	\$251,087	\$233,379	\$56,010
2001	56,010	104,399	147,833	12,576
<u>Nonmajor Governmental Funds:</u>				
2000	\$25,002	\$150,428	\$158,619	\$16,811
2001	16,811	61,371	72,757	5,425

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 14 - LONG-TERM OBLIGATIONS**

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2001 follows:

	<u>Balance at 12/31/00</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/01</u>	<u>Amounts Due in One Year</u>
Special Assessment Bonds with Government Commitment:					
1987 - 6.50% - 9.25%					
Brandt Pike Phase I	\$38,326	\$0	\$38,326	\$0	\$0
1991 - 6.70%					
Old Troy Pike	325,000	0	20,000	305,000	20,000
1993 - 4.70%					
Taylorsville Road	445,000	0	45,000	400,000	50,000
1995 - 5.75%					
Brandt Pike Phase IV	1,045,000	0	45,000	1,000,000	45,000
1995 - 5.80%					
Shull Road East and West	840,000	0	35,000	805,000	35,000
1996 - 5.70%					
Troy III	244,607	0	8,949	235,658	8,949
1996 - 5.70%					
North West Expansion	165,393	0	6,051	159,342	6,051
1997 - 5.45%					
Brandt Pike Phase V	420,000	0	20,000	400,000	15,000
1998 - 4.88% - 4.95%					
Old Troy Pike Phase IV	625,000	0	20,000	605,000	25,000
1999 - 5.30% - 5.38%					
Old Troy Pike Phase V	290,052	0	10,359	279,693	10,359
1999 - 5.30% - 5.38%					
Executive Boulevard	409,948	0	14,641	395,307	14,641
2000 - 5.63% - 5.65%					
I-70 Business Park Phase II	750,000	0	20,000	730,000	20,000
2001 - 3.5% - 4.95%					
Huber East Water Main (Various Purpose Bonds - Series 2001A )	0	150,000	0	150,000	5,000
2001 - 3.5% - 4.95%					
Executive Boulevard Phase III (Various Purpose Bonds - Series 2001A)	0	1,085,000	0	1,085,000	25,000
2001 - 3.5% - 4.95%					
Troy VI (Various Purpose Bonds - Series 2001A)	0	685,000	0	685,000	15,000
2001 - 3.5% - 4.95%					
Aaron Lane (Various Purpose Bonds - Series 2001 A)	0	212,000	0	212,000	7,000

(Continued)

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

	Balance at 12/31/00	Increases	Decreases	Balance at 12/31/01	Amounts Due in One Year
2001 – 3.5% - 4.95% Stoney Creek (Various Purpose Bonds – Series 2001A)	\$0	\$45,000	\$0	\$45,000	\$1,000
2001 – 3.5% - 4.95% Lexington Place (Various Purpose Bonds – Series 2001A)	0	63,000	0	63,000	2,000
TOTAL – Special Assessment Bonds Payable	<u>5,598,326</u>	<u>2,240,000</u>	<u>283,326</u>	<u>7,555,000</u>	<u>305,000</u>
Voted General Obligation Bonds:					
1991 - 6.45% Police Facility	1,675,000	0	1,675,000	0	0
2001 – 2.90% - 4.25% Refunding Bonds, Series 2001B	0	1,755,000	135,000	1,620,000	135,000
TOTAL – Voted General Obligation Bonds Payable	<u>1,675,000</u>	<u>1,755,000</u>	<u>1,810,000</u>	<u>1,620,000</u>	<u>135,000</u>
Unvoted General Obligation Bonds:					
1987 - 6.50% - 9.25% Brandt Pike Phase I	6,674	0	6,674	0	0
1987 - 6.50% - 9.25% Brandt Pike Phase II and III	85,000	0	85,000	0	0
1987 - 6.50% - 9.25% Commerce Park	45,000	0	45,000	0	0
1987 – 6.50% - 9.25% State Route 4	55,000	0	55,000	0	0
1991 – 6.49% Brandt Pike Phase I (Various Purpose Bonds – Series 2001A)	490,000	0	490,000	0	0
1991 – 6.49% Brandt Pike Phase II (Various Purpose Bonds – Series 2001A)	945,000	0	945,000	0	0
1991 – 6.49% Commerce Park (Various Purpose Bonds – Series 2001A)	95,000	0	95,000	0	0
1991 – 6.49% State Route 4 (Various Purpose Bonds – Series 2001A)	570,000	0	570,000	0	0

(Continued)



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

	Balance at 12/31/00	Increases	Decreases	Balance at 12/31/01	Amounts Due in One Year
1991 – 6.49%					
City Hall (Various Purpose Bonds – Series 2001A)	\$725,000	\$0	\$725,000	\$0	\$0
1991 – 6.63%					
Water Tank	390,000	0	25,000	365,000	25,000
1993 – 5.35%					
Fire Station Renovation	1,970,000	0	65,000	1,905,000	70,000
1993 - 5.35%					
Gas Tank Replacement	45,000	0	15,000	30,000	15,000
1995 - 5.80%					
Municipal Pool	75,000	0	15,000	60,000	15,000
1997 - 5.10% - 5.25%					
Street Improvement	1,800,000	0	90,000	1,710,000	95,000
1997 - 4.15% - 5.40%					
Court Bonds	1,545,000	0	60,000	1,485,000	60,000
2001 – 2.90% - 4.95%					
Various Purpose	0	2,965,000	135,120	2,829,880	402,923
TOTAL - Unvoted General Obligation Bonds Payable	<u>8,841,674</u>	<u>2,965,000</u>	<u>3,421,794</u>	<u>8,384,880</u>	<u>682,923</u>
TOTAL – General Obligation Bonds Payable	<u>10,516,674</u>	<u>4,720,000</u>	<u>5,231,794</u>	<u>10,004,880</u>	<u>817,923</u>
Compensated Absences Payable	<u>859,150</u>	<u>855,435</u>	<u>764,707</u>	<u>949,878</u>	<u>433,558</u>
Equipment/Vehicle Loans:					
1997 - 4.95%					
Vehicle Loan	333,993	0	43,926	290,067	46,398
1999 - 4.10%					
Vehicles and Equipment	172,042	0	113,524	58,518	58,518
2000 - 5.24%					
Vehicles, Equipment, and Computer Equipment	410,919	0	158,026	252,893	166,408
2001 – 4.36%					
Vehicles Loan	0	364,500	57,522	306,978	118,834
2001 – 4.60%					
Tub Grinder Loan	0	202,000	10,589	191,411	21,913
2001 – 2.99%					
Police Cruisers	0	159,374	0	159,374	51,556
TOTAL - Equipment/Vehicle Loans	<u>916,954</u>	<u>725,874</u>	<u>383,587</u>	<u>1,259,241</u>	<u>463,627</u>
TOTAL – General Long-Term Obligations	<u>\$17,891,104</u>	<u>\$8,541,309</u>	<u>\$6,663,414</u>	<u>\$19,768,999</u>	<u>\$2,020,108</u>

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

The following table discloses the original issue amounts for the debt issued before 2001:

Issue	Amount
<b>Special Assessment Bonds:</b>	
1987 Brandt Pike Phase I	\$282,210
1991 Old Troy Pike	460,000
1993 Taylorsville Road	706,400
1995 Brandt Pike Phase IV	1,222,000
1995 Shull Road East and West	982,000
1996 Troy III	281,000
1996 North West Expansion	190,000
1997 Brandt Pike Phase V	461,000
1998 Old Troy Pike Phase IV	665,000
1999 Old Troy Pike Phase V	300,411
1999 Executive Boulevard	424,590
2000 I-70 Business Park Phase II	750,000
<b>Voted General Obligation Bond:</b>	
1991 Police Facility	2,445,000
<b>Unvoted General Obligation Bonds:</b>	
1987 Brandt Pike Phase I	547,790
1987 Brandt Pike Phase II and III	1,595,000
1987 Commerce Park	825,000
1987 State Route 4	985,000
1991 Brandt Pike Phase I	430,000
1991 Brandt Pike Phase II	830,000
1991 Commerce Park	425,000
1991 State Route 4	510,000
1991 City Hall	1,050,000
1991 Water Tank	555,000
1993 Fire Station Renovation	2,350,000
1993 Gas Tank Replacement	130,000
1995 Municipal Pool	127,000
1997 Street Improvement	2,045,000
1997 Court Bonds	1,625,000
<b>Equipment/Vehicle Loans:</b>	
1997 Vehicle Loan	333,622
1999 Vehicles and Equipment	172,039
2000 Vehicles, Equipment, and Computer Equipment	410,919

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

On September 1, 2001, the City issued \$5,205,000 for Various Purpose Bonds, Series 2001A and \$1,755,000 Refunding Bonds, Series 2001B. \$2,965,000 of the Various Purpose Bonds, Series 2001A along with the \$1,755,000 Refunding Bonds, Series 2001B was used to retire \$4,500,000 of the 1991 general obligation bonds, with the exception of the 1991 Water Tank. The remaining proceeds of Series 2001A was used to finance special assessment projects. The new general obligation bonds have interest rates varying from 2.90% to 4.95%. An analysis of the current refunding follows:

Outstanding at 12/31/00	\$4,500,000
Call Premium	<u>43,350</u>
Amount paid to bond holders	<u><u>\$4,543,350</u></u>

The current refunding resulted in a difference between the acquisition price and the net carrying amount of the old debt of \$43,350. This difference, reported in the financial statements as a deduction from bonds payable, will be charged to operations through the year 2011 using the effective interest method. The City increased its total debt service payments by \$278,882 as a result of the current refunding. The City also incurred an economic loss (difference between the present values of the old and new debt service payments) of \$132,875.

Long-term liabilities on the financial statements reflect the bond premium and accounting loss as follows:

Total General Long-Term Obligations Outstanding at 12/31/01	\$19,794,119
Accounting Loss	(43,350)
Premium on Bonds	<u>18,230</u>
Total General Long-Term Obligations on the Statement of Net Assets	<u><u>\$19,768,999</u></u>

The Various Purpose Bonds, Series 2001A consists of \$4,300,000 in serial bonds and \$905,000 in term bonds. The term bonds maturing on December 1, 2021, will be subject to mandatory sinking fund redemption as follows:

Year	Amount to be Redeemed
2016	\$135,000
2017	140,000
2018	145,000
2019	150,000
2020	165,000

The remaining \$170,000 will mature at stated maturity on December 1, 2021.

The special assessment bond issues will be paid through the Special Assessment Bond Retirement Debt Service Fund. The bond issues will be paid with special assessment revenue. They are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

All voted and unvoted general obligation bond issues will be paid through the General Obligation Bond Retirement Debt Service Fund with property tax revenues and transfers from the General Fund and other governmental funds (special revenue funds - City Motor Vehicle License Permissive Tax, Local Street Improvement, Parks and Recreation, State Highway, and Street Maintenance and Repair, and Fire Capital Equipment Capital Projects Fund), and the Water Enterprise Fund.

The compensated absences payable will be paid from the General, Fire, Police, Sewer, Water, Local Street Improvement, Parks and Recreation, and Street Maintenance and Repair Funds. The equipment/vehicle loans will be paid from the General, Police, Local Street Improvement, Parks and Recreation, Street Maintenance and Repair, and Fire Capital Equipment Funds.

Changes in the long-term obligations reported in business-type activities of the City during 2001 were as follows:

	Balance at			Balance at	Amounts
	12/31/00	Increases	Decreases	12/31/01	Due in
					One Year
Revenue Bonds Payable:					
Various - 1995 Water Acquisition	\$12,423,498	\$359,823	\$450,000	\$12,333,321	\$872,155
OWDA Loan Payable:					
3.85% - 1995 Sewer OWDA Loan	5,687,931	0	286,452	5,401,479	297,587
Compensated Absences Payable	4,990	6,442	4,441	6,991	3,453
<b>TOTAL - Enterprise Funds</b>	<u>\$18,116,419</u>	<u>\$366,265</u>	<u>\$740,893</u>	<u>\$17,741,791</u>	<u>\$1,173,195</u>

The Water Fund's revenue bonds are paid from operating revenues of the water enterprise operation. The original issue amount was \$12,495,517. Of the original issue amount, \$8,270,000 is serial bonds, while \$4,225,517 is capital appreciation bonds. The water revenue bonds maturing on or after December 1, 2000, are subject to optional redemption at the direction of the City, in whole or in part in integral multiples of \$5,000 on any interest payment date, on or after December 1, 2000, or before December 1, 2007, at the redemption prices (expressed as a percentage of the principal amount to be redeemed) not to be greater than 103%, plus accrued interest on the redemption date. Bonds maturing in the years 2011 through 2025 were issued as capital appreciation bonds, which mature in the principal amounts on the dates and will bear interest compounded semiannually on June 1 and December 1 of each year beginning in 1996; at the compounding rates per year. The compounded interest on the capital appreciation bonds is reflected as an addition to the revenue bonds payable. At December 31, 2000, the compounded interest was \$1,572,981. During 2001, the bonds were accreted \$359,823 for a balance at December 31, 2001, of \$1,932,804. The maturity amount of the capital appreciation bonds is \$10,639,401.

The City covenants that it will at all times prescribe and charge such rates and restrict operating and maintenance expenses so net revenue (including non-operating revenues and transfers) available for debt service will be no less than 115% of the aggregate amount of principal and interest requirements on the bonds during such year.

The OWDA loans payable represents amounts borrowed from the Ohio Water Development Authority for the acquisition of the sewer system, part of the Sewer Enterprise Fund. The loans will be paid from Sewer Enterprise Fund revenue. The original issue amount was \$6,908,108.

As of December 31, 2001, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$49,030,476, and the unvoted legal debt margin was \$22,270,698.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
For the Year Ended December 31, 2001

**NOTE 14 - LONG-TERM OBLIGATIONS (Continued)**

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2001, were as follows:

Year	Governmental Activities					
	Special Assessment Bonds		General Obligation Bonds		Equipment/Vehicle Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$305,000	\$393,555	\$820,000	\$460,447	\$463,627	\$51,646
2003	355,000	377,981	795,000	428,899	335,607	31,199
2004	380,000	360,048	800,000	395,804	194,545	18,043
2005	380,000	340,742	840,000	362,661	79,793	11,387
2006	405,000	321,518	865,000	327,929	84,038	7,143
2007-2011	2,180,000	1,277,895	3,740,000	1,092,568	101,631	5,255
2012-2016	2,270,000	682,532	1,650,000	378,828	0	0
2017-2021	1,280,000	176,350	520,000	43,228	0	0
2022-2025	0	0	0	0	0	0
Totals	<u>\$7,555,000</u>	<u>\$3,930,621</u>	<u>\$10,030,000</u>	<u>\$3,490,364</u>	<u>\$1,259,241</u>	<u>\$124,673</u>

Year	Business-Type Activities			
	Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2002	\$490,000	\$317,843	\$297,587	\$205,120
2003	530,000	295,303	309,154	193,553
2004	575,000	270,393	321,172	181,536
2005	625,000	242,792	333,656	169,051
2006	675,000	211,855	346,625	156,082
2007-2011	3,664,623	1,064,802	1,946,011	567,523
2012-2016	1,659,170	0	1,847,274	163,553
2017-2021	1,322,954	0	0	0
2022-2025	7,272,654	0	0	0
Totals	<u>\$16,814,401</u>	<u>\$2,402,988</u>	<u>\$5,401,479</u>	<u>\$1,636,418</u>

The City issued industrial development revenue bonds during 1999 for the acquisition of land, construction of a manufacturing facility, and acquisition of capital equipment used by a private corporation. The principal amount outstanding on the bonds at December 31, 2001, was \$8,000,000. The bonds do not constitute a debt or pledge of the faith and credit of the City and will not be secured by an obligation or pledge of any moneys raised by taxation. The City is not obligated in any way to pay debt charges on the bond from any of its funds, and therefore it has been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bond or the related financing documents.

The City issued an industrial development revenue bond in 1994 with the principal amount of \$2,115,000 outstanding at December 31, 2001. The proceeds of the bond do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

**NOTE 15 - SHORT-TERM OBLIGATIONS**

A summary of the short-term note transactions for the year ended December 31, 2001, follows:

<u>Fund Type/Fund/Issue</u>	<u>Balance at 12/31/00</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at 12/31/01</u>
Special Assessment Notes:				
Capital Projects Funds:				
Capital Improvement Fund				
5.25% - Executive Blvd Phase III	\$1,300,000	\$1,070,000	\$2,370,000	\$0
Issue II Fund				
4.75% - Old Troy Pike Phase VI	<u>1,200,000</u>	<u>0</u>	<u>1,200,000</u>	<u>0</u>
Total Special Assessment Notes	<u>\$2,500,000</u>	<u>\$1,070,000</u>	<u>\$3,570,000</u>	<u>\$0</u>

The notes were bond anticipation notes and were paid off with long-term special assessment bonds issued during 2001, operating transfers, and special assessments revenue.

**NOTE 16 - INTERFUND ASSETS/LIABILITIES**

The General Fund and the Police Fund had interfund receivables at December 31, 2001, of \$3,375,157 and \$4,165, respectively. The Capital Improvement Fund had interfund payables of \$1,411,300. The other governmental funds had interfund payables of \$1,968,022. The loans were made to cover capital outlay costs that will eventually be covered by reimbursable grants and to repay the Police Fund for expenditures made on behalf of the Highway Safety Fund.

	<u>General</u>	<u>Transfer From</u>			<u>Total</u>
		<u>Capital Improvement</u>	<u>Other Governmental</u>	<u>Water</u>	
General	\$0	\$1,948	\$74,181	\$0	\$76,129
Fire	3,500,000	0	0	0	3,500,000
Police	1,500,000	0	0	0	1,500,000
General Obligation					
Bond Retirement	205,000	0	720,417	50,838	976,255
Special Assessment					
Bond Retirement	0	80,082	626,564	0	706,646
Capital Improvement	281,253	0	0	0	281,253
Other Governmental	<u>372,000</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>622,000</u>
Total	<u>\$5,858,253</u>	<u>\$82,030</u>	<u>\$1,671,162</u>	<u>\$50,838</u>	<u>\$7,662,283</u>

Transfers are used to move monies for capital acquisitions, repairs, and equipment. They are also used for debt service obligations. The remaining transfers are used to subsidize various programs in the funds.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 17 - JOINT VENTURES**

Prior to June of 1996, the Miami Conservancy District provided the Cities of Huber Heights, Vandalia, and Tipp City with wastewater treatment services. The Miami Conservancy District expressed the intent to no longer provide these services to the cities and gave them the option to acquire and operate the facility. In order to do so, the three cities established the Tri-Cities North Regional Wastewater Authority (Wastewater Authority). In June of 1996, the Miami Conservancy District deeded the wastewater facility and all of the assets associated with the facility to the joint venture at no cost to the joint venture.

Wastewater Authority is a joint venture among the cities of Huber Heights, Vandalia, and Tipp City. Wastewater Authority is governed by a management board consisting of the city managers of the three cities. The board has complete authority over all aspects of the operation. Wastewater Authority supplies all participating residents of the member cities with sewer services. Each city owns the sewage lines located in its city and bills its residents for usage. Continued existence of Wastewater Authority is dependent on the City's continued participation. The percentage of equity interest in the joint venture for each City is based on annual usage and is adjusted each year accordingly. The City's equity interest is \$11,349,818 which represents 55.10% of the total equity in Wastewater Authority. Wastewater Authority is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Huber Heights was party to several transactions during 2001 involving Wastewater Authority for services provided to the City by Wastewater Authority. The amounts for services provided to the City are reflected on the City's financial statements in the amount of \$1,765,453. Complete financial statements can be obtained from the fiscal agent by writing to Tri-Cities North Regional Wastewater Authority, c/o The City of Vandalia, 333 J. E. Bohanan Drive, Vandalia, Ohio 45377.

On January 22, 2001, the City entered into a contract for the creation of a Joint Economic Development District (JEDD) with the Township of Bethel and Clark County, Ohio. The contract was entered into under the authority of Ohio Revised Code Section 715.72. The JEDD was established for the purpose of cooperative regional development and job creation, along with growth in commercial and industrial development. The JEDD will permit the three jurisdictions to share tax revenues from the development of property without the need of annexation. The City will provide fire, police, rescue, zoning and building services, and marketing for the site. Clark County will provide water and sewer services. The 41 acres located in Bethel Township, along with a contiguous 17 acre parcel located within the City along State Route 235 are available for use. Several international companies have expressed interest in the site. The JEDD results from a contractual arrangement and is governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial responsibility. The City has an equity interest since the contract stipulates the City will have claim to the net resources of JEDD, as set forth in the contract. Since the JEDD had no financial activity during 2001, the City's equity interest at December 31, 2001, was \$0. Financial information can be obtained from Mary DelRaso, Planning and Development Manager, at 6131 Taylorsville Road, Huber Heights, Ohio 45424-2951.

**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS**

The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami, and Montgomery Counties, the City of Dayton, the City of Huber Heights, the City of Riverside, the City of New Carlisle, and the City of Clayton. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region.

**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region. The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives.

Payments to the Commission are made from the General Fund. The City contributed \$17,800 for the operation of the Commission during 2001. Financial information can be obtained from Nora Lake, Executive Director, at 40 West Fourth Street, Dayton, Ohio 45402.

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers, and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the Fire Special Revenue Fund. The City contributed \$9,162 for the operation of the Alliance during 2001. Financial information can be obtained from Mike Caudill, Director, at 444 West Third Street, Suite 13-204, Dayton, Ohio 45402.

The Economic Development/Government Equity (ED/GE) Program was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships, and cities within Montgomery County, and Montgomery County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County.

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten years, ending December 31, 2010. No new agreement has been entered into yet. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from the General Fund. The City made no contributions for the operation of ED/GE during 2001. Financial information can be obtained from Linda Gum, Administrative Assistant, at 451 West Third Street, Dayton, Ohio 45422.



**City of Huber Heights, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2001*

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**NOTE 19 - CONTINGENT LIABILITIES**

**Litigation**

The City is party to legal proceedings. The City is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the City.

**Grants**

For the period January 1, 2001, to December 31, 2001, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

**NOTE 20 - SUBSEQUENT EVENTS**

The City is no longer self-insured for health care coverage starting January 1, 2002.

On February 8, 2002, the City took out two loans from Banc One Leasing Corporation in the amounts of \$110,000 and \$358,364. The loans were used to purchase vehicles and equipment for various City departments. The interest rate on the loans is 3.15 percent. The first loan is payable in ten semi-annual installments of \$12,240, with final payment due February 2007. The second loan is payable in six semi-annual installments of \$63,063, with final payment due February 2005.

On February 15, 2002, final payment was made on the 1999 equipment/vehicle loan.

On March 7, 2002, the City sold 4 acres of land to Hughes Peters. The proceeds of \$118,200 were received in the General Fund.

On March 11, 2002, the Council passed an ordinance allowing the City to enter into a land exchange agreement for 14.378 acres for 12.2314 acres of land owned by the Wastewater Authority. There will be no transfer of monies between the parties, since the land is of equal value.

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Combining Statements and  
Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditures for specified purposes.

City Motor Vehicle License Permissive Tax

To account for permissive license tax received from the State to finance various street repair projects.

Community Development Block Grant

To account for monies received from the federal government under the Community Development Block Grant Programs.

County Motor Vehicle Permissive Tax

To account for permissive license tax levied by Montgomery County. Expenditures include planning, constructing, improving, maintaining, and repairing roads, streets and bridges.

Drug Law Enforcement

To account for fines and costs collected for felonious drug trafficking convictions. This money may be used in any drug law enforcement activity.

Edward Byrne Memorial

To account for grant monies used to reduce crime and provide programs to citizens to improve public safety, including child abductions.

Highway Safety

To account for monies received from the federal government to increase the safety of the motoring public by enforcing traffic laws on roadways within the City which have been identified as having a high occurrence of traffic crashes and DUI offenses.

Law Enforcement

To account for the fines generated from the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband. This money may be spent for any law enforcement activity.

Local Street Improvement

To account for miscellaneous revenue and for a portion of City income tax which, beginning in 1994, is to be used for local street repairs.

Parks and Recreation

To account for fees and other charges paid by the participants of recreation programs to cover the cost of the various programs.

Prevention, Retention and Contingency – Development Reserve

To account for award monies from the Prevention, Retention and Contingency-Development Reserve through the Montgomery County Department of Job and Family Services for the Southwest Neighborhood Association.

(Continued)

Combining Statements – Nonmajor Governmental Funds  
(Continued)

State Highway

To account for gasoline tax and motor vehicle license fees received from the County and State for routine maintenance of state highways within the City.

Storm Water Management

To account for monies received from Montgomery County to be used to fund improvements to the City's green space and water course, thereby maintaining the City's creeks.

Street Maintenance and Repair

To account for that portion of the state gasoline tax and motor vehicle registration fees designated for maintenance and repair of certain streets within the City.

Violence Against Women Grant

To account for monies received through the Office of Criminal Justice Services to assist States and other units of local government to develop and strengthen effective law enforcement and prosecution strategies to combat violent crimes against women and to develop and strengthen victim services in cases involving violent crimes against women. Budgetary information has not been presented for this fund because the City did not anticipate any revenues or expenditures in 2001. The budgetary fund balance was \$159 at December 31, 2001.

NONMAJOR CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by enterprise funds.

Capital Equipment

To account for the proceeds of debt used to purchase capital equipment.

Economic Development/Government Equity Improvement

To account for grant revenues received from the County and used to develop and promote economic development through capital expenditures.

Federal Equity Sharing

To account for the City's share of federal forfeitures used by the law enforcement department for informant payments, travel and training, communication and computers, firearms, weapons, body armor, electronic surveillance equipment, building and improvements, and other law enforcement expenses.

Fire Capital Equipment

To account for City income tax revenues specifically dedicated for fire station building renovations and the equipment purchases of the fire division.

Issue II

To account for Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds.

(Continued)

Combining Statements – Nonmajor Governmental Funds  
(Continued)

Local Law Enforcement Block Grant

To account for grant revenues received from the federal government and used for equipment acquisition.

Local Street Capital Improvement

To account for income tax revenues collected for reconstruction and maintenance of the City's interior streets.

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2001*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalent	\$2,043,455	\$2,198,001	\$4,241,456
Cash and Cash Equivalents with Fiscal Agent	0	196	196
Receivables:			
Municipal Income Taxes, Net	397,603	417,172	814,775
Accounts	181	0	181
Accrued Interest	471	0	471
Due from Other Government:	590,626	5,440	596,066
Prepaid Items	1,142	0	1,142
Supplies Inventory	77,616	0	77,616
<i>Total Assets</i>	<u>\$3,111,094</u>	<u>\$2,620,809</u>	<u>\$5,731,903</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$53,864	\$13,656	\$67,520
Contracts Payable Retainage	0	24,610	24,610
Accrued Salaries Payable	36,307	0	36,307
Due to Other Governments	15,641	0	15,641
Interfund Payable	430,022	1,538,000	1,968,022
Deferred Revenue	797,241	314,371	1,111,612
Claims Payable	5,425	0	5,425
<i>Total Liabilities</i>	<u>1,338,500</u>	<u>1,890,637</u>	<u>3,229,137</u>
<b>Fund Balances</b>			
Reserved for Encumbrance:	208,656	205,825	414,481
Reserved for Supplies Inventory:	77,616	0	77,616
Unreserved:			
Undesignated, Reported in			
Special Revenue Fund:	1,486,322	0	1,486,322
Capital Projects Funds	0	524,347	524,347
<i>Total Fund Balances</i>	<u>1,772,594</u>	<u>730,172</u>	<u>2,502,766</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,111,094</u>	<u>\$2,620,809</u>	<u>\$5,731,903</u>

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2001*

	City Motor Vehicle License Permissive Tax	Community Development Block Grant	County Motor Vehicle Permissive Tax
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$40,055	\$292,731	\$20,135
Receivables:			
Municipal Income Taxes, Net	0	0	0
Accounts	0	0	0
Accrued Interest	0	0	0
Due from Other Governments	10,755	15,171	6,068
Prepaid Items	0	0	0
Supplies Inventory	0	0	0
<i>Total Assets</i>	<u>\$50,810</u>	<u>\$307,902</u>	<u>\$26,203</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$15,172	\$0
Accrued Salaries Payable	0	0	0
Due to Other Governments	0	0	0
Interfund Payable	0	287,223	0
Deferred Revenue	0	15,171	0
Claims Payable	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>317,566</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	22,122	0
Reserved for Supplies Inventory	0	0	0
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	50,810	(31,786)	26,203
<i>Total Fund Balances (Deficit)</i>	<u>50,810</u>	<u>(9,664)</u>	<u>26,203</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$50,810</u>	<u>\$307,902</u>	<u>\$26,203</u>



Drug Law Enforcement	Edward Byrne Memorial	Highway Safety	Law Enforcement	Local Street Improvement	Parks and Recreation
\$28,627	\$12,450	\$94,259	\$1,159	\$723,109	\$246,034
0	0	0	0	397,603	0
0	0	0	0	181	0
0	0	0	0	0	0
823	0	4,165	0	0	0
0	0	0	0	888	254
0	0	0	0	36,616	593
<u>\$29,450</u>	<u>\$12,450</u>	<u>\$98,424</u>	<u>\$1,159</u>	<u>\$1,158,397</u>	<u>\$246,881</u>
\$250	\$0	\$0	\$0	\$15,061	\$4,625
0	0	0	0	22,187	3,056
0	0	0	0	222	2,399
0	12,375	98,424	0	0	0
245	0	4,165	0	299,625	0
0	0	0	0	0	0
<u>495</u>	<u>12,375</u>	<u>102,589</u>	<u>0</u>	<u>337,095</u>	<u>10,080</u>
645	225	5,929	0	7,475	27,649
0	0	0	0	36,616	593
28,310	(150)	(10,094)	1,159	777,211	208,559
28,955	75	(4,165)	1,159	821,302	236,801
<u>\$29,450</u>	<u>\$12,450</u>	<u>\$98,424</u>	<u>\$1,159</u>	<u>\$1,158,397</u>	<u>\$246,881</u>

(Continued)

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*December 31, 2001*  
(Continued)

	Prevention. Retention and Contingency- Development Reserve	State Highway	Storm Water Management
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$0	\$30,882	\$27,511
Receivables:			
Municipal Income Taxes, Net	0	0	0
Accounts	0	0	0
Accrued Interest	0	0	0
Due from Other Governments	10,405	40,742	0
Prepaid Items	0	0	0
Supplies Inventory	0	16,050	0
<i>Total Assets</i>	<u>\$10,405</u>	<u>\$87,674</u>	<u>\$27,511</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$9,365	\$0	\$0
Accrued Salaries Payable	0	0	0
Due to Other Governments	0	0	0
Interfund Payable	0	0	32,000
Deferred Revenue	10,405	35,071	0
Claims Payable	0	0	0
<i>Total Liabilities</i>	<u>19,770</u>	<u>35,071</u>	<u>32,000</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	1,151	22,000
Reserved for Supplies Inventory	0	16,050	0
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	(9,365)	35,402	(26,489)
<i>Total Fund Balances (Deficit)</i>	<u>(9,365)</u>	<u>52,603</u>	<u>(4,489)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,405</u>	<u>\$87,674</u>	<u>\$27,511</u>

Street Maintenance and Repair	Violence Against Women Grant	Total Nonmajor Special Revenue Funds
\$526,344	\$159	\$2,043,455
0	0	397,603
0	0	181
471	0	471
502,497	0	590,626
0	0	1,142
24,357	0	77,616
<u>\$1,053,669</u>	<u>\$159</u>	<u>\$3,111,094</u>

\$9,391	\$0	\$53,864
11,064	0	36,307
13,020	0	15,641
0	0	430,022
432,559	0	797,241
5,425	0	5,425
<u>471,459</u>	<u>0</u>	<u>1,338,500</u>

121,460	0	208,656
24,357	0	77,616
436,393	159	1,486,322
582,210	159	1,772,594
<u>\$1,053,669</u>	<u>\$159</u>	<u>\$3,111,094</u>

**City of Huber Heights, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*December 31, 2001*

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,517	\$325,463	\$16,698
Cash and Cash Equivalents with Fiscal Agents	0	0	0
Receivables:			
Municipal Income Taxes, Net	0	0	0
Due from Other Government:	0	0	5,440
<i>Total Assets</i>	<u>\$1,517</u>	<u>\$325,463</u>	<u>\$22,138</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$5,180	\$0
Contracts Payable Retainage	0	0	0
Interfund Payable	0	190,000	0
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>195,180</u>	<u>0</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	1,017	103,711	1,029
Unreserved:			
Undesignated, Reported in:			
Capital Projects Funds	500	26,572	21,109
<i>Total Fund Balances</i>	<u>1,517</u>	<u>130,283</u>	<u>22,138</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,517</u>	<u>\$325,463</u>	<u>\$22,138</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$103,703	\$249,503	\$22,723	\$1,478,394	\$2,198,001
0	196	0	0	196
97,226	0	0	319,946	417,172
0	0	0	0	5,440
<u>\$200,929</u>	<u>\$249,699</u>	<u>\$22,723</u>	<u>\$1,798,340</u>	<u>\$2,620,809</u>
\$3,919	\$0	\$0	\$4,557	\$13,656
0	196	0	24,414	24,610
0	0	0	1,348,000	1,538,000
73,267	0	0	241,104	314,371
<u>77,186</u>	<u>196</u>	<u>0</u>	<u>1,618,075</u>	<u>1,890,637</u>
3,586	55,821	195	40,466	205,825
120,157	193,682	22,528	139,799	524,347
123,743	249,503	22,723	180,265	730,172
<u>\$200,929</u>	<u>\$249,699</u>	<u>\$22,723</u>	<u>\$1,798,340</u>	<u>\$2,620,809</u>

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**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Year Ended December 31, 2001*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Municipal Income Taxes	\$1,330,275	\$1,143,618	\$2,473,893
Intergovernmental	1,426,046	764,480	2,190,526
Special Assessments	0	32,463	32,463
Charges for Services	54,643	0	54,643
Fines, Licenses and Permits	4,796	12,029	16,825
Interest	27,523	31,089	58,612
Rent	4,971	0	4,971
Other	37,276	0	37,276
<i>Total Revenues</i>	<u>2,885,530</u>	<u>1,983,679</u>	<u>4,869,209</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	57,810	19,125	76,935
Public Health	40,954	0	40,954
Leisure Time Activities	229,434	0	229,434
Transportation:			
Local Street Capital Improvement	0	4,616	4,616
Other	1,672,188	0	1,672,188
Capital Outlay	78,114	1,845,928	1,924,042
Debt Service:			
Principal Retirement	118,379	58,997	177,376
Interest and Fiscal Charges	14,321	66,374	80,695
<i>Total Expenditures</i>	<u>2,211,200</u>	<u>1,995,040</u>	<u>4,206,240</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>674,330</u>	<u>(11,361)</u>	<u>662,969</u>
<b>Other Financing Sources (Uses)</b>			
Special Assessment Bonds Issued	0	835,000	835,000
Long-Term Loans Issued	319,068	0	319,068
Proceeds from Sale of Fixed Assets	20,692	0	20,692
Transfers - In	252,000	370,000	622,000
Transfers - Out	(1,037,417)	(633,745)	(1,671,162)
<i>Total Other Financing Sources (Uses)</i>	<u>(445,657)</u>	<u>571,255</u>	<u>125,598</u>
<i>Net Change in Fund Balances</i>	228,673	559,894	788,567
<i>Fund Balances Beginning of Year</i>	1,544,099	170,278	1,714,377
Decrease in Reserve for Inventory	(178)	0	(178)
<i>Fund Balances End of Year</i>	<u>\$1,772,594</u>	<u>\$730,172</u>	<u>\$2,502,766</u>

**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2001*

	City Motor Vehicle License Permissive Tax	Community Development Block Grant	County Motor Vehicle Permissive Tax
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	157,860	75,246	89,582
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Interest	0	0	0
Rent	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>157,860</u>	<u>75,246</u>	<u>89,582</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	0	0	0
Public Health	0	0	0
Leisure Time Activities	0	0	0
Transportation:			
Other	0	0	0
Capital Outlay	0	78,114	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>78,114</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>157,860</u>	<u>(2,868)</u>	<u>89,582</u>
<b>Other Financing Sources (Uses)</b>			
Long-Term Loans Issued	0	0	0
Proceeds from Sale of Fixed Assets	0	0	0
Transfers - In	0	2,000	0
Transfers - Out	(175,000)	0	(91,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(175,000)</u>	<u>2,000</u>	<u>(91,000)</u>
<i>Net Change in Fund Balances</i>	(17,140)	(868)	(1,418)
<i>Fund Balances (Deficit) Beginning of Year</i>	67,950	(8,796)	27,621
Increase (Decrease) in Reserve for Inventory	0	0	0
<i>Fund Balances (Deficit) End of Year</i>	<u>\$50,810</u>	<u>(\$9,664)</u>	<u>\$26,203</u>



Drug Law Enforcement	Edward Byrne Memorial	Highway Safety	Law Enforcement	Local Street Improvement	Parks and Recreation
\$0	\$0	\$0	\$0	\$1,330,275	\$0
0	2,925	52,545	0	0	0
0	0	0	0	0	54,643
4,796	0	0	0	0	0
0	0	0	0	4,915	0
0	0	0	0	0	4,971
0	0	0	0	7,020	6,842
<u>4,796</u>	<u>2,925</u>	<u>52,545</u>	<u>0</u>	<u>1,342,210</u>	<u>66,456</u>
11,716	1,921	43,922	251	0	0
0	0	0	0	0	0
0	0	0	0	0	229,434
0	0	0	0	1,004,862	0
0	0	0	0	0	0
0	0	0	0	72,945	4,583
0	0	0	0	5,384	565
<u>11,716</u>	<u>1,921</u>	<u>43,922</u>	<u>251</u>	<u>1,083,191</u>	<u>234,582</u>
<u>(6,920)</u>	<u>1,004</u>	<u>8,623</u>	<u>(251)</u>	<u>259,019</u>	<u>(168,126)</u>
0	0	0	0	319,068	0
15,840	0	0	1,000	3,852	0
0	0	0	0	0	250,000
0	0	0	0	(450,000)	(19,350)
<u>15,840</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>(127,080)</u>	<u>230,650</u>
8,920	1,004	8,623	749	131,939	62,524
20,035	(929)	(12,788)	410	718,221	174,909
0	0	0	0	(28,858)	(632)
<u>\$28,955</u>	<u>\$75</u>	<u>(\$4,165)</u>	<u>\$1,159</u>	<u>\$821,302</u>	<u>\$236,801</u>

**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Year Ended December 31, 2001*  
(Continued)

	Prevention, Retention and Contingency- Development Reserve	State Highway	Storm Water Management
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	31,589	73,504	0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Interest	0	1,417	0
Rent	0	0	0
Other	0	0	0
<i>Total Revenues</i>	<u>31,589</u>	<u>74,921</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property:			
Other	0	0	0
Public Health	40,954	0	0
Leisure Time Activities	0	0	0
Transportation:			
Other	0	44,146	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>40,954</u>	<u>44,146</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,365)</u>	<u>30,775</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Long-Term Loans Issued	0	0	0
Proceeds from Sale of Fixed Assets	0	0	0
Transfers - In	0	0	0
Transfers - Out	0	(35,348)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(35,348)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(9,365)	(4,573)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	0	41,126	(4,489)
Increase (Decrease) in Reserve for Inventory	0	16,050	0
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$9,365)</u>	<u>\$52,603</u>	<u>(\$4,489)</u>

Street Maintenance and Repair	Violence Against Women Grant	Total Nonmajor Special Revenue Funds
\$0	\$0	\$1,330,275
942,795	0	1,426,046
0	0	54,643
0	0	4,796
21,191	0	27,523
0	0	4,971
23,414	0	37,276
<u>987,400</u>	<u>0</u>	<u>2,885,530</u>
0	0	57,810
0	0	40,954
0	0	229,434
623,180	0	1,672,188
0	0	78,114
40,851	0	118,379
8,372	0	14,321
<u>672,403</u>	<u>0</u>	<u>2,211,200</u>
<u>314,997</u>	<u>0</u>	<u>674,330</u>
0	0	319,068
0	0	20,692
0	0	252,000
(266,719)	0	(1,037,417)
<u>(266,719)</u>	<u>0</u>	<u>(445,657)</u>
48,278	0	228,673
520,670	159	1,544,099
<u>13,262</u>	<u>0</u>	<u>(178)</u>
<u>\$582,210</u>	<u>\$159</u>	<u>\$1,772,594</u>

**City of Huber Heights, Ohio**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Year Ended December 31, 2001*

	Capital Equipment	Economic Development / Government Equity Improvement	Federal Equity Sharing
<b>Revenues</b>			
Municipal Income Taxes	\$0	\$0	\$0
Intergovernmental	0	0	0
Special Assessments	0	0	0
Fines, Licenses and Permits	0	0	12,029
Interest	0	2,030	610
<i>Total Revenues</i>	<u>0</u>	<u>2,030</u>	<u>12,639</u>
<b>Expenditures</b>			
Current:			
Security of Persons and Property			
Other	0	0	8,368
Transportation:			
Local Street Capital Improvemen	0	0	0
Capital Outlay	0	12,180	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>12,180</u>	<u>8,368</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>(10,150)</u>	<u>4,271</u>
<b>Other Financing Sources (Uses)</b>			
Special Assessment Bonds Issued	0	0	0
Transfers - In	0	45,000	0
Transfers - Out	0	(46,003)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(1,003)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	0	(11,153)	4,271
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,517</u>	<u>141,436</u>	<u>17,867</u>
<i>Fund Balances End of Year</i>	<u>\$1,517</u>	<u>\$130,283</u>	<u>\$22,138</u>

Fire Capital Equipment	Issue II	Local Law Enforcement Block Grant	Local Street Capital Improvement	Total Nonmajor Capital Projects Funds
\$71,480	\$0	\$0	\$1,072,138	\$1,143,618
0	742,209	22,271	0	764,480
0	32,463	0	0	32,463
0	0	0	0	12,029
0	27,845	604	0	31,089
<u>71,480</u>	<u>802,517</u>	<u>22,875</u>	<u>1,072,138</u>	<u>1,983,679</u>
10,757	0	0	0	19,125
0	0	0	4,616	4,616
49,516	602,596	26,758	1,154,878	1,845,928
58,997	0	0	0	58,997
18,874	47,500	0	0	66,374
<u>138,144</u>	<u>650,096</u>	<u>26,758</u>	<u>1,159,494</u>	<u>1,995,040</u>
<u>(66,664)</u>	<u>152,421</u>	<u>(3,883)</u>	<u>(87,356)</u>	<u>(11,361)</u>
0	835,000	0	0	835,000
0	75,000	0	250,000	370,000
(174,000)	(413,742)	0	0	(633,745)
<u>(174,000)</u>	<u>496,258</u>	<u>0</u>	<u>250,000</u>	<u>571,255</u>
(240,664)	648,679	(3,883)	162,644	559,894
364,407	(399,176)	26,606	17,621	170,278
<u>\$123,743</u>	<u>\$249,503</u>	<u>\$22,723</u>	<u>\$180,265</u>	<u>\$730,172</u>

Individual Fund Schedules of Revenues, Expenditures/Expenses  
And Changes in Fund Balances/Fund Equity – Budget (Non-GAAP Basis) and Actual

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Municipal Income Taxes:	\$4,826,295	\$5,624,878	\$5,624,878	\$0
Property and Other Taxes	916,295	1,045,527	1,045,527	0
Intergovernmental	1,238,852	1,413,577	1,413,577	0
Special Assessment:	14,391	16,421	16,421	0
Charges for Services:	383,324	437,387	437,387	0
Fines, Licenses and Permits:	165,784	189,166	189,166	0
Interest	679,082	774,858	774,858	0
Rent	48,775	55,654	55,654	0
Other	104,997	126,148	126,148	0
<i>Total Revenues</i>	<u>8,377,795</u>	<u>9,683,616</u>	<u>9,683,616</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property				
Dispatch	631,276	635,857	576,678	59,179
General Lighting	99,597	99,597	99,597	0
Community Environment				
Engineering, Zoning and Planning	828,346	841,592	775,218	66,374
General Government				
Central Services:	960,950	963,010	898,373	64,637
Mayor	22,758	22,758	19,455	3,303
Council	131,230	131,230	125,290	5,940
Management Office	499,830	503,031	498,349	4,682
Finance / Accounting	412,517	417,170	392,314	24,856
Finance / Taxation	0	613,400	498,986	114,414
Legal	297,559	414,059	404,048	10,011
Buildings and Grounds:	164,298	165,436	153,951	11,485
Court Facility	85,470	85,470	80,084	5,386
Debt Service:				
Principal Retirement	62,114	62,114	62,114	0
Interest and Fiscal Charge:	6,878	6,878	6,878	0
<i>Total Expenditures</i>	<u>4,202,823</u>	<u>4,961,602</u>	<u>4,591,335</u>	<u>370,267</u>
<i>Excess of Revenues Over Expenditures</i>	<u>4,174,972</u>	<u>4,722,014</u>	<u>5,092,281</u>	<u>370,267</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Fixed Asset	895	1,021	1,021	0
Advances In	649,671	741,299	741,299	0
Advances Out	0	(718,937)	(718,937)	0
Operating Transfers In	66,719	76,129	76,129	0
Operating Transfers Out	0	(5,858,253)	(5,858,253)	0
<i>Total Other Financing Sources (Uses)</i>	<u>717,285</u>	<u>(5,758,741)</u>	<u>(5,758,741)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,892,257	(1,036,727)	(666,460)	370,267
<i>Fund Balance Beginning of Year</i>	5,125,196	5,125,196	5,125,196	0
Prior Year Encumbrances Appropriated	483,539	483,539	483,539	0
<i>Fund Balance End of Year</i>	<u>\$10,500,992</u>	<u>\$4,572,008</u>	<u>\$4,942,275</u>	<u>\$370,267</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Obligation Bond Retirement Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Taxes	\$43,192	\$196,363	\$196,363	\$0
Intergovernmental	5,442	24,691	24,691	0
Special Assessments	4,915	22,338	22,338	0
Interest	422	1,920	1,920	0
Rent	29,907	135,937	135,937	0
<i>Total Revenues</i>	<u>83,878</u>	<u>381,249</u>	<u>381,249</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government	15,000	9,000	5,511	3,489
Debt Service:				
Principal Retirement	665,000	745,000	745,000	0
Interest and Fiscal Charges	622,071	687,315	687,315	0
Bond Issuance Costs	0	40,406	21,241	19,165
Current Refunding	0	4,543,350	4,543,350	0
<i>Total Expenditures</i>	<u>1,302,071</u>	<u>6,025,071</u>	<u>6,002,417</u>	<u>22,654</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,218,193)</u>	<u>(5,643,822)</u>	<u>(5,621,168)</u>	<u>22,654</u>
<b>Other Financing Sources</b>				
Refunding Bonds Issued	1,038,450	4,720,000	4,720,000	0
Premium from Refunding Bonds Issued	4,011	18,230	18,230	0
Operating Transfers In	214,786	976,255	976,255	0
<i>Total Other Financing Sources</i>	<u>1,257,247</u>	<u>5,714,485</u>	<u>5,714,485</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	39,054	70,663	93,317	22,654
<i>Fund Balance at Beginning of Year</i>	<u>546,055</u>	<u>546,055</u>	<u>546,055</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$585,109</u></u>	<u><u>\$616,718</u></u>	<u><u>\$639,372</u></u>	<u><u>\$22,654</u></u>



**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Assessment Bond Retirement Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$130,200	\$200,601	\$200,601	\$0
Interest	711	1,096	1,096	0
Other	151	232	232	0
<i>Total Revenues</i>	<u>131,062</u>	<u>201,929</u>	<u>201,929</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government	15,000	10,029	10,029	0
Debt Service:				
Principal Retirement	2,740,000	3,815,000	3,815,000	0
Interest and Fiscal Charges	502,591	485,506	480,242	5,264
Bond Issuance Costs	0	22,056	22,056	0
<i>Total Expenditures</i>	<u>3,257,591</u>	<u>4,332,591</u>	<u>4,327,327</u>	<u>5,264</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(3,126,529)</u>	<u>(4,130,662)</u>	<u>(4,125,398)</u>	<u>5,264</u>
<b>Other Financing Sources</b>				
Special Assessment Bonds Issued	1,148,819	1,770,000	1,770,000	0
Special Assessment Notes Issued	694,484	1,070,000	1,070,000	0
Operating Transfers In	1,033,237	1,591,922	1,591,922	0
<i>Total Other Financing Sources</i>	<u>2,876,540</u>	<u>4,431,922</u>	<u>4,431,922</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(249,989)	301,260	306,524	5,264
<i>Fund Balance at Beginning of Year</i>	395,201	395,201	395,201	0
Prior Year Encumbrances Appropriated	6,451	6,451	6,451	0
<i>Fund Balance at End of Year</i>	<u>\$151,663</u>	<u>\$702,912</u>	<u>\$708,176</u>	<u>\$5,264</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Improvement Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special Assessments	\$102,221	\$233,320	\$233,320	\$0
Intergovernmental	13,143	30,000	30,000	0
Interest	11,351	25,908	25,908	0
<i>Total Revenues</i>	<u>126,715</u>	<u>289,228</u>	<u>289,228</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
General Government	0	12,174	11,705	469
Capital Outlay	1,299,473	2,114,554	1,627,887	486,667
<i>Total Expenditures</i>	<u>1,299,473</u>	<u>2,126,728</u>	<u>1,639,592</u>	<u>487,136</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,172,758)</u>	<u>(1,837,500)</u>	<u>(1,350,364)</u>	<u>487,136</u>
<b>Other Financing Sources (Uses)</b>				
Special Assessment Bonds Issued	140,196	320,000	320,000	0
Proceeds from Sale of Fixed Assets	139,390	318,159	318,159	0
Advances In	180,503	412,000	412,000	0
Advances Out	0	(367,272)	(367,272)	0
Operating Transfers In	123,221	281,253	281,253	0
Operating Transfers Out	0	(381,373)	(381,373)	0
<i>Total Other Financing Sources (Uses)</i>	<u>583,310</u>	<u>582,767</u>	<u>582,767</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(589,448)</u>	<u>(1,254,733)</u>	<u>(767,597)</u>	<u>487,136</u>
<i>Fund Balance at Beginning of Year</i>	1,435,461	1,435,461	1,435,461	0
Prior Year Encumbrances Appropriated	<u>812,046</u>	<u>812,046</u>	<u>812,046</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,658,059</u></u>	<u><u>\$992,774</u></u>	<u><u>\$1,479,910</u></u>	<u><u>\$487,136</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Sewer Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,726,198	\$2,615,310	\$2,615,310	\$0
Tap In Fees	37,214	35,700	35,700	0
Special Assessments	4,530	4,346	4,346	0
Interest	30,880	29,624	29,624	0
Other	66	63	63	0
<i>Total Revenues</i>	2,798,888	2,685,043	2,685,043	0
<b>Expenses</b>				
Personal Services	51,751	47,451	47,341	110
Operations and Maintenance	2,361,376	2,391,029	2,390,163	866
Capital Outlay	68,732	67,512	67,512	0
Debt Service:				
Principal Retirement	265,418	286,452	286,452	0
Interest and Fiscal Charges	237,289	216,254	216,254	0
<i>Total Expenses</i>	2,984,566	3,008,698	3,007,722	976
<i>Excess of Revenues Under Expenses</i>	(185,678)	(323,655)	(322,679)	976
<i>Fund Equity at Beginning of Year</i>	708,987	708,987	708,987	0
Prior Year Encumbrances Appropriated	289,819	289,819	289,819	0
<i>Fund Equity at End of Year</i>	\$813,128	\$675,151	\$676,127	\$976

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Water Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$2,508,663	\$2,401,566	\$2,401,566	\$0
Tap In Fees	66,280	63,450	63,450	0
Interest	168,174	160,994	160,994	0
Rent	25,070	24,000	24,000	0
<i>Total Revenues</i>	2,768,187	2,650,010	2,650,010	0
<b>Expenses</b>				
Personal Services	84,809	85,409	77,613	7,796
Operations and Maintenance	1,743,256	1,777,178	1,651,594	125,584
Capital Outlay	55,031	55,031	13,270	41,761
Debt Service:				
Principal Retirement	450,000	450,000	450,000	0
Interest and Fiscal Charges	338,092	338,092	338,092	0
<i>Total Expenses</i>	2,671,188	2,705,710	2,530,569	175,141
<i>Excess of Revenues Over (Under) Expenses</i>	96,999	(55,700)	119,441	175,141
Operating Transfers In	41,457	0	0	0
Operating Transfers Out	(101,668)	(121,003)	(50,838)	70,165
<i>Net Change in Fund Equity</i>	36,788	(176,703)	68,603	245,306
<i>Fund Equity at Beginning of Year</i>	3,625,895	3,625,895	3,625,895	0
Prior Year Encumbrances Appropriated	193,111	193,111	193,111	0
<i>Fund Equity at End of Year</i>	\$3,855,794	\$3,642,303	\$3,887,609	\$245,306

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 City Motor Vehicle License Permissive Tax Fund  
 For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$160,800	\$157,528	\$157,528	\$0
<i>Total Revenues</i>	<u>160,800</u>	<u>157,528</u>	<u>157,528</u>	<u>0</u>
<b>Other Financing Uses</b>				
Operating Transfers Out	0	(175,000)	(175,000)	0
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	160,800	(17,472)	(17,472)	0
<i>Fund Balance at Beginning of Year</i>	<u>57,527</u>	<u>57,527</u>	<u>57,527</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$218,327</u></u>	<u><u>\$40,055</u></u>	<u><u>\$40,055</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
In Fund Balance - Budget (Non-GAAP Basis) and Actual  
Community Development Block Grant Fund  
For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$27,766	\$75,246	\$75,246	\$0
<i>Total Revenues</i>	<u>27,766</u>	<u>75,246</u>	<u>75,246</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	90,065	116,281	108,955	7,326
<i>Total Expenditures</i>	<u>90,065</u>	<u>116,281</u>	<u>108,955</u>	<u>7,326</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(62,299)</u>	<u>(41,035)</u>	<u>(33,709)</u>	<u>7,326</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	27,757	75,223	75,223	0
Advances Out	0	(124,027)	(124,027)	0
Operating Transfers In	738	2,000	2,000	0
<i>Total Other Financing Sources (Uses)</i>	<u>28,495</u>	<u>(46,804)</u>	<u>(46,804)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(33,804)</u>	<u>(87,839)</u>	<u>(80,513)</u>	<u>7,326</u>
<i>Fund Balance at Beginning of Year</i>	297,885	297,885	297,885	0
Prior Year Encumbrances Appropriated	<u>38,065</u>	<u>38,065</u>	<u>38,065</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$302,146</u>	<u>\$248,111</u>	<u>\$255,437</u>	<u>\$7,326</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 County Motor Vehicle Permissive Tax Fund  
 For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$79,200	\$89,149	\$89,149	\$0
<i>Total Revenues</i>	<u>79,200</u>	<u>89,149</u>	<u>89,149</u>	<u>0</u>
<b>Other Financing Uses</b>				
Operating Transfers Out	0	(91,000)	(91,000)	0
<i>Total Other Financing Uses</i>	<u>0</u>	<u>(91,000)</u>	<u>(91,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	79,200	(1,851)	(1,851)	0
<i>Fund Balance at Beginning of Year</i>	<u>21,986</u>	<u>21,986</u>	<u>21,986</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$101,186</u></u>	<u><u>\$20,135</u></u>	<u><u>\$20,135</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Law Enforcement Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$4,218	\$4,218	\$0
<i>Total Revenues</i>	<u>0</u>	<u>4,218</u>	<u>4,218</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	1,682	17,731	13,218	4,513
<i>Total Expenditures</i>	<u>1,682</u>	<u>17,731</u>	<u>13,218</u>	<u>4,513</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,682)</u>	<u>(13,513)</u>	<u>(9,000)</u>	<u>4,513</u>
<b>Other Financing Sources</b>				
Proceeds from Sale of Fixed Assets	0	15,840	15,840	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>15,840</u>	<u>15,840</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,682)	2,327	6,840	4,513
<i>Fund Balance at Beginning of Year</i>	19,211	19,211	19,211	0
Prior Year Encumbrances Appropriated	<u>1,682</u>	<u>1,682</u>	<u>1,682</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$19,211</u></u>	<u><u>\$23,220</u></u>	<u><u>\$27,733</u></u>	<u><u>\$4,513</u></u>



**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Edward Bryne Memorial Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$3,075	\$2,925	\$2,925	\$0
<i>Total Revenues</i>	<u>3,075</u>	<u>2,925</u>	<u>2,925</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	4,125	4,125	4,125	0
<i>Total Expenditures</i>	<u>4,125</u>	<u>4,125</u>	<u>4,125</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,050)	(1,200)	(1,200)	0
<i>Fund Balance at Beginning of Year</i>	9,300	9,300	9,300	0
Prior Year Encumbrances Appropriated	<u>4,125</u>	<u>4,125</u>	<u>4,125</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$12,375</u></u>	<u><u>\$12,225</u></u>	<u><u>\$12,225</u></u>	<u><u>\$0</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Highway Safety Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$7,129	\$52,545	\$52,545	\$0
<i>Total Revenues</i>	<u>7,129</u>	<u>52,545</u>	<u>52,545</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	5,000	86,471	50,686	35,785
<i>Total Expenditures</i>	<u>5,000</u>	<u>86,471</u>	<u>50,686</u>	<u>35,785</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,129</u>	<u>(33,926)</u>	<u>1,859</u>	<u>35,785</u>
<b>Other Financing Sources</b>				
Advances In	5,659	41,714	41,714	0
<i>Total Other Financing Sources</i>	<u>5,659</u>	<u>41,714</u>	<u>41,714</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	7,788	7,788	43,573	35,785
<i>Fund Balance at Beginning of Year</i>	39,757	39,757	39,757	0
Prior Year Encumbrances Appropriated	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$52,545</u></u>	<u><u>\$52,545</u></u>	<u><u>\$88,330</u></u>	<u><u>\$35,785</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Law Enforcement Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Security of Persons and Property	962	1,962	963	999
<i>Total Expenditures</i>	962	1,962	963	999
Excess of Revenues Under Expenditures	(962)	(1,962)	(963)	999
<b>Other Financing Sources</b>				
Proceeds from Sale of Fixed Assets	0	1,000	1,000	0
<i>Total Other Financing Sources</i>	0	1,000	1,000	0
<i>Net Change in Fund Balance</i>	(962)	(962)	37	999
<i>Fund Balance at Beginning of Year</i>	160	160	160	0
Prior Year Encumbrances Appropriated	962	962	962	0
<i>Fund Balance at End of Year</i>	<u>\$160</u>	<u>\$160</u>	<u>\$1,159</u>	<u>\$999</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Street Improvement Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,298,989	\$1,394,743	\$1,394,743	\$0
Interest	4,465	4,738	4,738	0
Other	6,816	7,233	7,233	0
<i>Total Revenues</i>	1,310,270	1,406,714	1,406,714	0
<b>Expenditures</b>				
Current:				
Transportation	1,055,855	1,093,370	1,024,704	68,666
Debt Service:				
Principal Retirement	0	72,945	72,945	0
Interest and Fiscal Charges	0	5,384	5,384	0
<i>Total Expenditures</i>	1,055,855	1,171,699	1,103,033	68,666
<i>Excess of Revenues Over Expenditures</i>	254,415	235,015	303,681	68,666
<b>Other Financing Sources (Uses)</b>				
Long-Term Loans Issued	300,694	319,068	319,068	0
Proceeds from Sale of Fixed Assets	3,630	3,852	3,852	0
Operating Transfers Out	(450,000)	(450,000)	(450,000)	0
<i>Total Other Financing Sources (Uses)</i>	(145,676)	(127,080)	(127,080)	0
<i>Net Change in Fund Balance</i>	108,739	107,935	176,601	68,666
<i>Fund Balance at Beginning of Year</i>	493,573	493,573	493,573	0
Prior Year Encumbrances Appropriated	31,583	31,583	31,583	0
<i>Fund Balance at End of Year</i>	\$633,895	\$633,091	\$701,757	\$68,666

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Parks and Recreation Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$46,273	\$54,643	\$54,643	\$0
Rent	4,210	4,971	4,971	0
Other	5,811	6,862	6,862	0
<i>Total Revenues</i>	<u>56,294</u>	<u>66,476</u>	<u>66,476</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Leisure Time Activities	265,007	273,788	264,368	9,420
Debt Service:				
Principal Retirement	4,587	4,587	4,583	4
Interest and Fiscal Charges	588	588	565	23
<i>Total Expenditures</i>	<u>270,182</u>	<u>278,963</u>	<u>269,516</u>	<u>9,447</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(213,888)</u>	<u>(212,487)</u>	<u>(203,040)</u>	<u>9,447</u>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	211,706	250,000	250,000	0
Operating Transfers Out	(19,350)	(19,350)	(19,350)	0
<i>Total Other Financing Sources(Uses)</i>	<u>192,356</u>	<u>230,650</u>	<u>230,650</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(21,532)</u>	<u>18,163</u>	<u>27,610</u>	<u>9,447</u>
<i>Fund Balance at Beginning of Year</i>	166,994	166,994	166,994	0
Prior Year Encumbrances Appropriated	19,269	19,269	19,269	0
<i>Fund Balance at End of Year</i>	<u>\$164,731</u>	<u>\$204,426</u>	<u>\$213,873</u>	<u>\$9,447</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Prevention, Retention and Contingency - Development Reserve Fund  
 For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$31,589	\$31,589	\$31,589	\$0
<i>Total Revenues</i>	<u>31,589</u>	<u>31,589</u>	<u>31,589</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	41,994	83,988	31,589	52,399
<i>Total Expenditures</i>	<u>41,994</u>	<u>83,988</u>	<u>31,589</u>	<u>52,399</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(10,405)</u>	<u>(52,399)</u>	<u>0</u>	<u>52,399</u>
<i>Net Change in Fund Balance</i>	<u>(10,405)</u>	<u>(52,399)</u>	<u>0</u>	<u>52,399</u>
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>(\$10,405)</u>	<u>(\$52,399)</u>	<u>\$0</u>	<u>\$52,399</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*State Highway Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$94,965	\$73,504	\$73,504	\$0
Interest	2,035	1,575	1,575	0
<i>Total Revenues</i>	<u>97,000</u>	<u>75,079</u>	<u>75,079</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Transportation	47,899	47,899	47,899	0
<i>Total Expenditures</i>	<u>47,899</u>	<u>47,899</u>	<u>47,899</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>49,101</u>	<u>27,180</u>	<u>27,180</u>	<u>0</u>
<b>Other Financing Uses</b>				
Operating Transfers Out	(35,348)	(35,348)	(35,348)	0
<i>Total Other Financing Uses</i>	<u>(35,348)</u>	<u>(35,348)</u>	<u>(35,348)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	13,753	(8,168)	(8,168)	0
<i>Fund Balance at Beginning of Year</i>	35,240	35,240	35,240	0
Prior Year Encumbrances Appropriated	2,603	2,603	2,603	0
<i>Fund Balance at End of Year</i>	<u>\$51,596</u>	<u>\$29,675</u>	<u>\$29,675</u>	<u>\$0</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Storm Water Management Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
General Government	<u>25,000</u>	<u>25,000</u>	<u>22,000</u>	<u>3,000</u>
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>22,000</u>	<u>3,000</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(25,000)</u>	<u>(25,000)</u>	<u>(22,000)</u>	<u>3,000</u>
<b>Other Financing Sources</b>				
Operating Transfers In	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Other Financing Sources</i>	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>0</u>	<u>(25,000)</u>	<u>(22,000)</u>	<u>3,000</u>
<i>Fund Balance at Beginning of Year</i>	<u>27,511</u>	<u>27,511</u>	<u>27,511</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$27,511</u>	<u>\$2,511</u>	<u>\$5,511</u>	<u>\$3,000</u>



**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Street Maintenance and Repair Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$908,554	\$942,774	\$942,774	\$0
Interest	21,882	22,706	22,706	0
Other	22,564	23,414	23,414	0
<i>Total Revenues</i>	<u>953,000</u>	<u>988,894</u>	<u>988,894</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Transportation	796,777	796,776	784,818	11,958
Debt Service:				
Principal Retirement	57,207	57,207	40,851	16,356
Interest and Fiscal Charge:	8,552	8,552	8,372	180
<i>Total Expenditures</i>	<u>862,536</u>	<u>862,535</u>	<u>834,041</u>	<u>28,494</u>
<i>Excess of Revenues Over Expenditures</i>	<u>90,464</u>	<u>126,359</u>	<u>154,853</u>	<u>28,494</u>
<b>Other Financing Uses</b>				
Operating Transfers Out	(266,719)	(266,719)	(266,719)	0
<i>Total Other Financing Uses</i>	<u>(266,719)</u>	<u>(266,719)</u>	<u>(266,719)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(176,255)	(140,360)	(111,866)	28,494
<i>Fund Balance Beginning of Year</i>	401,690	401,690	401,690	0
Prior Year Encumbrances Appropriated	104,706	104,706	104,706	0
<i>Fund Balance End of Year</i>	<u>\$330,141</u>	<u>\$366,036</u>	<u>\$394,530</u>	<u>\$28,494</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Equipment Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Capital Outlay	<u>1,018</u>	<u>1,018</u>	<u>1,018</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,018</u>	<u>1,018</u>	<u>1,018</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,018)</u>	<u>(1,018)</u>	<u>(1,018)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	<u>500</u>	<u>500</u>	<u>500</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>1,018</u>	<u>1,018</u>	<u>1,018</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$500</u>	<u>\$500</u>	<u>\$500</u>	<u>\$0</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Economic Development / Government Equity Improvement Fund*  
*For the Year Ended December 31, 2001*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$0	\$2,488	\$2,488	\$0
<i>Total Revenues</i>	<u>0</u>	<u>2,488</u>	<u>2,488</u>	<u>0</u>
<b>Expenditures</b>				
Capital Outlay	97,461	332,460	115,891	216,569
<i>Total Expenditures</i>	<u>97,461</u>	<u>332,460</u>	<u>115,891</u>	<u>216,569</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(97,461)</u>	<u>(329,972)</u>	<u>(113,403)</u>	<u>216,569</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	0	190,000	190,000	0
Operating Transfers In	0	45,000	45,000	0
Operating Transfers Out	0	(46,003)	(46,003)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>188,997</u>	<u>188,997</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(97,461)</u>	<u>(140,975)</u>	<u>75,594</u>	<u>216,569</u>
<i>Fund Balance at Beginning of Year</i>	43,517	43,517	43,517	0
Prior Year Encumbrances Appropriated	<u>97,461</u>	<u>97,461</u>	<u>97,461</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$43,517</u></u>	<u><u>\$3</u></u>	<u><u>\$216,572</u></u>	<u><u>\$216,569</u></u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Federal Equity Sharing Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Fines, Licenses and Permits	\$0	\$6,589	\$6,589	\$0
Interest	0	690	690	0
<i>Total Revenues</i>	0	7,279	7,279	0
<b>Expenditures</b>				
Current:				
Security of Persons and Property	2,075	12,075	10,820	1,255
<i>Total Expenditures</i>	2,075	12,075	10,820	1,255
<i>Net Change in Fund Balance</i>	(2,075)	(4,796)	(3,541)	1,255
<i>Fund Balance at Beginning of Year</i>	17,105	17,105	17,105	0
Prior Year Encumbrances Appropriated	2,075	2,075	2,075	0
<i>Fund Balance at End of Year</i>	\$17,105	\$14,384	\$15,639	\$1,255

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Fire Capital Equipment Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$329,865	\$340,150	\$340,150	\$0
<i>Total Revenues</i>	<u>329,865</u>	<u>340,150</u>	<u>340,150</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Security of Persons and Property	7,700	17,985	6,838	11,147
Capital Outlay	55,636	55,636	55,636	0
Debt Retirement:				
Principal Retirement	76,665	76,665	58,997	17,668
Interest and Fiscal Charges	20,500	20,500	18,874	1,626
<i>Total Expenditures</i>	<u>160,501</u>	<u>170,786</u>	<u>140,345</u>	<u>30,441</u>
<i>Excess of Revenues Over Expenditures</i>	<u>169,364</u>	<u>169,364</u>	<u>199,805</u>	<u>30,441</u>
<b>Other Financing Uses</b>				
Operating Transfers Out	(174,000)	(174,000)	(174,000)	0
<i>Total Other Financing Uses</i>	<u>(174,000)</u>	<u>(174,000)</u>	<u>(174,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(4,636)	(4,636)	25,805	30,441
<i>Fund Balance at Beginning of Year</i>	67,142	67,142	67,142	0
Prior Year Encumbrances Appropriated	4,636	4,636	4,636	0
<i>Fund Balance at End of Year</i>	<u>\$67,142</u>	<u>\$67,142</u>	<u>\$97,583</u>	<u>\$30,441</u>

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Issue II Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$814,445	\$814,445	\$814,445	\$0
Special Assessments	33,726	33,860	33,860	0
Interest	32,463	32,463	32,463	0
<i>Total Revenues</i>	880,634	880,768	880,768	0
<b>Expenditures</b>				
Capital Outlay	828,837	957,947	773,985	183,962
<i>Total Expenditures</i>	828,837	957,947	773,985	183,962
<i>Excess of Revenues Under (Over) Expenditures</i>	51,797	(77,179)	106,783	183,962
<b>Other Financing Sources (Uses)</b>				
Special Assessment Bonds Issued	150,000	150,000	150,000	0
Advances Out	0	(250,000)	(250,000)	0
Operating Transfers In	0	75,000	75,000	0
Operating Transfers Out	0	(999,675)	(999,675)	0
<i>Total Other Financing Sources (Uses)</i>	150,000	(1,024,675)	(1,024,675)	0
<i>Net Change in Fund Balance</i>	201,797	(1,101,854)	(917,892)	183,962
<i>Fund Balance at Beginning of Year</i>	357,737	357,737	357,737	0
Prior Year Encumbrances Appropriated	753,837	753,837	753,837	0
<i>Fund Balance at End of Year</i>	\$1,313,371	\$9,720	\$193,682	\$183,962

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes  
 In Fund Balance - Budget (Non-GAAP Basis) and Actual  
 Local Law Enforcement Block Grant Fund  
 For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$20,117	\$22,271	\$22,271	\$0
Interest	635	703	703	0
<i>Total Revenues</i>	20,752	22,974	22,974	0
<b>Expenditures</b>				
Capital Outlay	20,752	26,982	26,953	29
<i>Total Expenditures</i>	20,752	26,982	26,953	29
<i>Net Change in Fund Balance</i>	0	(4,008)	(3,979)	29
<i>Fund Balance at Beginning of Year</i>	26,467	26,467	26,467	0
<i>Fund Balance at End of Year</i>	\$26,467	\$22,459	\$22,488	\$29

**City of Huber Heights, Ohio**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Street Capital Improvement Fund*  
*For the Year Ended December 31, 2001*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Municipal Income Taxes	\$1,011,487	\$1,116,368	\$1,116,368	\$0
<i>Total Revenues</i>	<u>1,011,487</u>	<u>1,116,368</u>	<u>1,116,368</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Transportation	10,260	260	260	0
Capital Outlay	1,230,591	1,240,591	1,202,113	38,478
<i>Total Expenditures</i>	<u>1,240,851</u>	<u>1,240,851</u>	<u>1,202,373</u>	<u>38,478</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(229,364)</u>	<u>(124,483)</u>	<u>(86,005)</u>	<u>38,478</u>
<b>Other Financing Sources</b>				
Operating Transfers In	226,513	250,000	250,000	0
<i>Total Other Financing Sources</i>	<u>226,513</u>	<u>250,000</u>	<u>250,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,851)	125,517	163,995	38,478
<i>Fund Balance at Beginning of Year</i>	1,228,802	1,228,802	1,228,802	0
Prior Year Encumbrances Appropriated	40,851	40,851	40,851	0
<i>Fund Balance at End of Year</i>	<u><u>\$1,266,802</u></u>	<u><u>\$1,395,170</u></u>	<u><u>\$1,433,648</u></u>	<u><u>\$38,478</u></u>



STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES  
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND  
FISCAL CAPACITY OF THE CITY

**City of Huber Heights, Ohio**  
*General Fund Expenditures by Function (1)*  
*Last Ten Years*

Year	Security of Persons and Property	Community Environment	General Government	Capital Outlay	Debt Service	Total
2001	\$567,956	\$665,905	\$2,475,884	\$0	\$68,992	\$3,778,737
2000	556,929	763,555	1,886,630	1,980	40,228	3,249,322
1999	528,953	785,725	1,619,416	0	5,732	2,939,826
1998	662,453	689,672	1,807,028	0	0	3,159,153
1997	569,493	570,328	1,536,869	0	0	2,676,690
1996	537,764	531,017	1,827,426	0	19,797	2,916,004
1995	549,248	522,813	1,242,241	0	19,797	2,334,099
1994	500,892	553,973	1,301,740	0	19,797	2,376,402
1993	634,765	305,980	1,493,142	0	0	2,433,887
1992	384,174	412,914	1,287,789	0	0	2,084,877

Source: Finance Office, City of Huber Heights

(1) The City will present a statistical table for expenses for governmental activities when there is adequate data for comparison.

**City of Huber Heights, Ohio**  
*General Fund Revenues by Source (1)*  
*Last Ten Years*

Year	Municipal Income Taxes	Property and Other Taxes	Inter- governmental	Special Assessments	Charges for Services	Fines, Licenses and Permits	Interest	(2) Rent	Increase in Fair Value of Investments	Other	Tot
2001	\$5,366,293	\$1,041,788	\$1,386,289	\$16,421	\$539,388	\$201,220	\$725,525	\$55,779	\$6,970	\$129,676	\$9,469
2000	5,194,247	864,331	1,496,003	6,986	48,732	273,752	945,660	70,536	0	24,956	8,925
1999	4,904,359	774,811	1,374,714	13,423	13,873	425,525	680,478	70,122	0	42,903	8,300
1998	4,653,183	733,319	1,420,754	5,644	0	290,120	678,245	16,990	0	135,417	7,933
1997	4,434,218	708,586	1,317,627	2,809	93,374	264,200	624,217	0	0	53,643	7,498
1996	4,465,498	704,002	1,417,374	1,464	145,821	271,653	572,298	0	0	42,419	7,620
1995	4,517,167	771,114	947,905	1,349	89,180	301,052	564,625	0	0	18,375	7,210
1994	3,789,437	738,508	833,993	510	105,266	293,717	364,634	0	0	42,143	6,168
1993	3,726,866	754,644	893,880	1,687	77,163	262,589	285,263	0	0	16,057	6,018
1992	3,331,117	643,127	924,726	1,516	57,169	254,323	342,761	0	0	29,255	5,583

Source: Finance Office, City of Huber Heights

(1) - The City will present a statistical table for revenues for governmental activities when there is adequate data for comparison.

(2) - In the Fall of 1998, the court facilities building opened resulting in rent revenue being received from Montgomery County.

**City of Huber Heights, Ohio**  
*Property Tax Levies and Collections*  
*Last Ten Years*

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections (1)	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percent: Accum Delinquer To Total T
2001	\$3,439,141	\$3,434,497	\$107,210	\$3,541,707	102.98%	\$269,885	7.85
2000	3,447,031	3,273,829	111,825	3,385,654	98.22	149,151	4.3
1999	3,300,077	3,229,470	135,134	3,364,604	101.96	165,157	5.0
1998	3,266,958	3,170,974	139,807	3,310,781	101.34	198,358	6.0
1997	3,208,232	3,137,752	96,593	3,234,345	100.81	190,762	5.9
1996	3,182,737	3,146,459	100,525	3,246,984	102.02	147,385	4.6
1995	3,103,941	3,079,947	1,307	3,081,254	99.27	157,744	5.0
1994	3,161,816	3,142,234	83,084	3,225,318	102.01	104,557	3.3
1993	3,506,953	3,512,024	72,210	3,584,234	102.20	162,105	4.6
1992	3,446,227	3,374,217	79,351	3,453,568	100.21	142,203	4.1

Source: County Auditor; Montgomery County, Ohio

(1) - Information not available to exclude intergovernmental revenue from taxes.

**City of Huber Heights, Ohio**  
*Assessed Value and Estimated  
 True Value of Taxable Property*  
*Last Ten Years*

Collection Year	Real	Public Utility Personal	Tangible Personal	Total Assessed Value	(1) Estimated Value	Perc Asse: To I Tru
2001	\$504,948,830	\$18,746,860	\$43,899,872	\$567,595,562	\$1,627,902,406	3
2000	504,857,330	19,509,310	32,534,265	556,900,905	1,594,756,244	3
1999	440,720,660	20,955,570	31,010,458	492,686,688	1,416,728,815	3
1998	436,632,340	20,254,610	30,201,492	487,088,442	1,397,378,344	3
1997	434,689,200	20,358,530	28,270,336	483,318,066	1,375,973,056	3
1996	396,259,300	25,425,970	25,469,633	447,154,903	1,272,341,639	3
1995	389,096,460	25,893,970	22,752,617	437,743,047	1,232,139,605	3
1994	385,786,340	25,030,590	24,169,564	434,986,494	1,227,368,793	3
1993	354,439,920	24,974,990	20,165,161	399,580,071	1,118,321,120	3
1992	347,599,130	23,040,640	20,469,891	391,109,661	1,094,911,361	3

Source: County Auditor; Montgomery County, Ohio

(1) This is calculated by dividing the assessed value by the assessment percentage. The percentages for 2001 were 35 percent for real property and public utility real, 88 percent public utility tangible personal, and 25 percent for tangible personal and interexchange telecom public utility.

**City of Huber Heights, Ohio**

*Property Tax Rates - Direct and Overlapping Governments*

*(Per \$1,000 of Assessed Valuation)*

*Last Ten Years*

Collection Year	City of Huber Heights						Total	Huber Heights School District	Montgomery County	Miami Valley Career Technology Center	Montgomery County Public Library
	General Fund	Fire Fund	Police Fund	Street Fund	G.O. Bond Fund						
2001	\$1.50	\$4.29	\$5.50	\$0.00	\$0.39	\$0.39	\$54.10	\$17.24	\$2.58	\$0.26	
2000	1.50	4.29	5.50	0.00	0.40	0.40	54.11	16.64	2.58	0.26	
1999	1.50	4.29	5.50	0.00	0.45	0.45	47.71	16.64	2.58	0.26	
1998	1.50	4.29	5.50	0.00	0.47	0.47	47.92	16.64	2.58	0.26	
1997	1.50	4.29	5.50	0.00	0.47	0.47	47.98	16.64	2.58	0.72	
1996	1.50	4.29	5.50	0.00	0.50	0.50	48.37	16.64	2.58	0.72	
1995	1.50	4.29	5.50	0.00	0.50	0.50	48.47	16.64	2.58	0.72	
1994	1.50	4.29	5.50	0.00	0.67	0.67	48.68	16.14	2.58	0.00	
1993	1.50	4.29	5.50	2.38	0.67	0.67	48.68	13.64	2.58	0.00	
1992	1.50	4.29	5.50	2.38	0.67	0.67	50.55	10.45	1.98	0.00	

Source: County Auditor, Montgomery County, Ohio

**City of Huber Heights, Ohio**  
*Special Assessments Billed and Collected*  
*Last Ten Years*

<u>Collection Year</u>	<u>Billed</u>	<u>Amount Collected (1)</u>	<u>Percent Collected</u>
2001	\$627,194	\$675,401	107.69%
2000	683,347	647,440	94.75
1999	639,199	672,486	105.21
1998	666,172	641,300	96.27
1997	648,614	586,871	90.48
1996	623,553	615,156	98.65
1995	603,835	602,998	99.86
1994	665,449	655,977	98.58
1993	763,670	649,705	85.08
1992	759,432	633,951	83.48

Source: County Auditor; Montgomery County, Ohio

(1) This table reflects only those special assessments collected through the County Auditor's office. It does not reflect lump sum payments received by the City.

**City of Huber Heights, Ohio**  
*Ratio of Net General Obligation Bonded Debt  
to Assessed Value and Net Bonded Debt Per Capita  
Last Ten Years*

Collection Year	Population (1)	Assessed Value	Gross Bonded Debt (2)	Debt Service Monies Available (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation
2001	38,212	\$567,595,562	\$10,030,000	\$722,183	\$9,307,817	1.64%
2000	38,212	556,900,905	10,516,673	609,472	9,907,201	1.78
1999	38,212	492,686,688	11,107,605	575,678	10,531,927	2.14
1998	38,939	487,088,442	11,873,537	466,383	11,407,154	2.34
1997	38,939	483,318,066	12,573,728	320,150	12,253,578	2.54
1996	38,939	447,154,903	9,493,919	287,372	9,206,547	2.06
1995	40,663	437,743,047	10,040,368	255,822	9,784,546	2.24
1994	40,045	434,986,494	10,427,817	1,309,865	9,117,952	2.10
1993	40,045	399,580,071	9,672,266	191,262	9,481,004	2.37
1992	40,045	391,109,661	7,407,900	102,638	7,305,262	1.87

Source: (1) U.S. Census Reports, provided by the Miami Valley Regional Planning Commission.

(2) Includes only general obligation bonded debt payable from property taxes.

(3) Excludes debt service money available to pay special assessment bonded debt.



**City of Huber Heights, Ohio**  
*Computation of Overall Legal Debt Margin*  
*December 31, 2001*

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Assessed Value		<u><u>\$567,595,562</u></u>
Overall Debt Limitation		
10 1/2 Percent of Assessed Valuation		\$59,597,534
Total Voted and Unvoted Debt Outstanding at December 31, 2001	34,646,237	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	(7,555,000)	
Unvoted General Obligation Bonds to be Paid from Enterprise Fund Revenue	(10,400,517)	
Unvoted OWDA Loans to be Paid from Enterprise Fund Revenue	<u>(5,401,479)</u>	
Debt Within 10 1/2 Percent Limitation	11,289,241	
Less: Bond Retirement Fund Balance	<u>722,183</u>	
Net Debt Subject to 10 1/2 Percent Limitation		<u>10,567,058</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u><u>\$49,030,476</u></u>

**City of Huber Heights, Ohio**  
*Computation of Unvoted Legal Debt Margin*  
*December 31, 2001*

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Assessed Value		<u><u>\$567,595,562</u></u>
Unvoted Debt Limitation		
5 1/2 Percent of Assessed Valuation		\$31,217,756
Total Unvoted Debt Outstanding at December 31, 2001	33,026,237	
Less: Exempt Debt		
Unvoted General Obligation Bonds Issued in Anticipation of the Collection of Special Assessments	(7,555,000)	
Unvoted General Obligation Bonds to be Paid from Enterprise Fund Revenue	(10,400,517)	
Unvoted OWDA Loans to be Paid from Enterprise Fund Revenue	<u>(5,401,479)</u>	
Debt Within 5 1/2 Percent Limitations	9,669,241	
Less: Bond Retirement Fund Balance	<u>722,183</u>	
Net Debt Within 5 1/2 Percent Limitation		<u>8,947,058</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		<u><u>\$22,270,698</u></u>

**City of Huber Heights, Ohio**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2001*

Jurisdiction	Net Debt Outstanding	Percentage Applicable To City of Huber Heights	Amount Applicable To City of Huber Heights
City of Huber Heights (1)	\$9,307,817	100.00%	\$9,307,817
Montgomery County (2)	40,614,870	6.40	2,599,352
			<u>\$11,907,169</u>

Source: (1) Finance Office, City of Huber Heights  
(2) County Auditor; Montgomery County, Ohio

Note: The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed value.

**City of Huber Heights, Ohio**  
*Ratio of Annual Debt Principal and Interest Expenditures  
for General Obligation Bonded Debt to Total  
General Fund Expenditures  
Last Ten Years*

Year	Debt Principal and Interest (1)	General Fund Expenditures	Ratio
2001	\$5,868,536	\$3,778,737	155.30%
2000	1,247,630	3,249,322	38.40
1999	1,474,386	2,939,826	50.15
1998	1,451,531	3,159,153	45.95
1997	1,266,119	2,676,690	47.30
1996	1,176,210	2,916,004	40.34
1995	1,172,709	2,334,099	50.24
1994	930,132	2,904,223	32.03
1993	724,802	2,433,887	29.78
1992	772,607	2,084,877	37.06

Source: Finance Office, City of Huber Heights

(1) Includes only general obligation debt payable from property taxes

**City of Huber Heights, Ohio**  
*Revenue Bond Coverage - Water Fund*  
*Last Seven Years*

Year	Revenues (1)	Operating Expenses (2)	Net Revenue Available Debt Service	Debt Service Requirements			Coverage (4)
				Principal	Interest	Total	
2001	\$2,999,195	\$1,540,875	\$1,458,320	\$450,000	\$338,092	\$788,092	1.85
2000	2,698,338	1,609,909	1,088,429	410,000	356,133	766,133	1.42
1999	2,809,640	1,597,811	1,211,829	375,000	372,070	747,070	1.62
1998	2,658,508	1,676,010	982,498	340,000	386,010	726,010	1.35
1997	2,692,204	1,647,285	1,044,919	310,000	398,410	708,410	1.48
1996	3,494,101	2,109,158	1,384,943	210,000	492,057	702,057	1.97
1995 (3)	878,166	539,455	338,711	0	0	0	(3)

Source: Finance Office, City of Huber Heights

- (1) - Total revenues including non-operating revenues, capital contributions and transfers.
- (2) - Total operating expenses exclusive of depreciation.
- (3) - 1995 is the first year that the City had revenue bonds. Payments began in 1996.
- (4) - The City's bond covenant states that coverage must be at least 1.15 of the aggregate amount of principal and interest requirements on the bonds.

**City of Huber Heights, Ohio**  
*Demographic Statistics*  
*Last Ten Years*

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<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Montgomery County (3)</u>
2001	38,212	7,045	4.30%
2000	38,212	7,228	3.80
1999	38,212	7,288	3.80
1998	38,939	7,410	4.10
1997	38,939	7,373	4.00
1996	38,939	7,471	4.40
1995	40,663	7,602	4.00
1994	40,045	7,692	4.90
1993	40,045	7,695	6.40
1992	40,045	7,833	6.40

Source: (1) U.S. Census Reports, provided by the Miami Valley Regional Planning Commission.

Source: (2) Huber Heights City School District Board of Education.

Source: (3) Ohio Bureau of Employment Services

**City of Huber Heights, Ohio**  
*Property Values, Construction, and Bank Deposits*  
*Last Ten Years*

Year	Property Values (1)	Residential Construction		Commercial Construction		County Bank Deposits (3)
		Number of Permits (4)	Value (2)	Number of Permits (4)	Value (2)	
2001	\$1,442,710,943	105	\$14,828,136	11	\$4,531,034	\$224,099,000
2000	1,442,449,514	77	25,533,338	3	1,857,949	191,473,000
1999	1,259,201,886	46	7,236,860	4	6,394,747	2,994,378,000
1998	1,247,520,971	47	6,915,432	4	12,101,329	3,264,705,000
1997	1,241,969,143	35	4,526,863	4	5,018,225	3,530,314,000
1996	1,132,169,429	38	5,328,346	5	2,947,093	3,899,145,000
1995	1,111,704,171	34	5,287,979	9	3,375,725	3,995,114,000
1994	1,102,246,685	18	2,306,403	21	20,816,760	4,034,766,000
1993	1,012,685,486	22	3,438,417	7	5,090,006	3,834,335,000
1992	993,140,371	89	6,597,032	10	2,290,872	4,068,798,000

(1) Estimated actual real property values (Public Utility Real Property not included)

Source: (2) City of Huber Heights Planning and Zoning Department.

Source: (3) Federal Reserve Bank of Cleveland. No main office in the City of Huber Heights.

(3) Decrease for 2000 due to bank restructuring. Deposits at end of year are no longer held in Montgomery County, but in Cuyahoga County.

(4) Industrial permits are not included.

**City of Huber Heights, Ohio**

*Principal Taxpayers*

*December 31, 2001*

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Taxpayer	2000 Real Property Assessed Valuation (Tax Duplicate) For Collection in 2001	Percentage of Total Assessed Valuation
1. Kir Huber Heights L P	\$8,421,750	1.48%
2. Dayton Power and Light Company	7,947,540	1.40
3. Ohio Bell Telephone	4,672,120	0.82
4. National Amusements Incorporated	2,596,450	0.46
5. Dayton Hudson Corporation	2,326,920	0.41
6. Wal-Mart Stores Incorporated	1,963,320	0.35
7. Vectren Energy Delivery	1,141,120	0.20
8. Huber Properties Incorporated	1,611,070	0.28
9. Spectra - Physics Laserplane Incorporated	1,442,290	0.25
10. Lowe's Home Centers Incorporated	1,365,000	0.24
Total	<u>\$33,487,580</u>	<u>5.89%</u>

Source: County Auditor; Montgomery County, Ohio



**City of Huber Heights, Ohio**

*Miscellaneous Statistics*

*December 31, 2001*

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Year of Incorporation	1981
Form of Government	Council/Manager
Number of Employees (excluding police and fire)	
Full-Time	59
Part-Time	17
Seasonal	23
Area	22.0 Square Miles
Miles of Streets	172.3 Miles
Number of Street Lights	2,288
Recreation and Culture:	
Number of Parks	13
Libraries	1
Fire Protection:	
Number of Stations	2
Number of Fire Personnel and Officers	50
Number of Volunteers	1
Number of Fire Calls	1,040
Number of EMS Calls	3,855
Police Protection:	
Number of Stations	1
Number of Policemen and Officers	53
Number of Dispatchers	11
Number of Calls	49,829
Sewer and Water:	
Miles of Sanitary Sewers	136.02

**City of Huber Heights, Ohio**  
*Labor Force and Unemployment Rates*  
*Last 26 Years*

Year	<u>Montgomery County</u>		<u>Dayton-Springfield M.S.A. (2)</u>		<u>Ohio (3)</u>		<u>U.S.A. (4)</u>
	<u>Labor Force (1)</u>	<u>Unemploy- ment Rate (5)</u>	<u>Labor Force (1)</u>	<u>Unemploy- ment Rate (5)</u>	<u>Labor Force (1)</u>	<u>Unemploy- ment Rate (5)</u>	<u>Unemploy- ment Rate (5)</u>
2001	284.9	4.3 %	480.7	4.3 %	5,857.0	4.3 %	4.8 %
2000	278.8	3.8	470.4	3.8	5,783.0	4.1	4.0
1999	278.5	3.8	471.0	3.8	5,749.0	4.3	4.2
1998	281.0	4.1	470.2	3.9	5,678.0	4.3	4.5
1997	284.5	4.0	477.3	4.1	5,707.0	4.6	4.9
1996	283.2	4.4	473.7	4.5	5,643.0	4.9	5.4
1995	282.5	4.0	471.5	4.0	5,584.4	4.8	5.6
1994	284.0	4.9	469.0	4.8	5,541.2	5.5	6.1
1993	284.8	6.4	471.1	6.5	5,431.8	7.8	7.6
1992	288.5	6.4	477.1	6.5	5,490.0	7.2	7.4
1991	289.4	5.7	474.4	5.8	5,440.0	6.4	6.7
1990	290.7	5.2	476.8	5.3	5,433.0	5.7	5.5
1989	292.2	5.1	498.6	5.1	5,419.0	5.5	5.3
1988	287.7	5.3	469.0	5.2	5,322.0	6.0	5.5
1987	283.3	5.6	463.8	5.6	5,253.0	7.0	6.2
1986	282.3	6.5	462.0	6.6	5,232.0	8.1	7.0
1985	274.9	7.0	450.4	7.2	5,135.0	8.9	7.2
1984	266.8	8.0	440.1	8.0	5,089.0	9.4	7.5
1983	265.2	10.5	438.5	10.6	5,099.0	12.2	9.6
1982	270.0	11.5	391.8	11.4	5,114.0	12.5	9.7
1981	269.5	8.5	390.8	8.4	5,100.0	9.6	7.6
1980	269.4	7.7	390.2	7.5	5,089.0	8.4	7.1
1979	271.5	6.7	392.2	6.2	5,059.0	5.9	5.8
1978	265.6	4.6	381.1	4.6	4,959.0	5.4	6.1
1977	266.8	5.8	368.6	5.5	4,833.0	6.5	7.1
1976	261.0	7.0	360.5	6.7	4,751.0	7.8	7.7

- NOTES:
- (1) Labor force in thousands.
  - (2) From 1976 through 1982, the Dayton metropolitan statistical area included Greene, Montgomery, Miami and Preble Counties. From 1983 through the present, the Dayton M.S.A. included Clark, Greene, Montgomery and Miami Counties.
  - (3) Ohio estimates are based upon county of residence.
  - (4) National data are seasonally adjusted.
  - (5) The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian work force which includes workers on strike.

Source: Ohio Bureau of Employment Services, Division of Research and Statistics

**City of Huber Heights, Ohio**  
*Principal Employers*  
*Dayton-Springfield Metropolitan Statistical Area*  
*December 31, 2001*

Employer	Nature of Activity or Business	Approximate Number of Employees
Wright-Patterson Air Force Base	Military base	21,000
Delphi Automotive Systems	Manufacturing	13,000
Premier Health Partners	Health Care	9,000
Airborne Express	Air Freight	7,875
Meijer, Inc.	Grocery and Retail Merchandise	6,300
Kettering Medical Network	Hospital	5,411
International Truck and Engine Corp	Manufacturing	4,729
GM Truck Group Moraine Assembly	Manufacturing	4,350
Montgomery County	Government	4,100
AK Steel	Manufacturing	4,000
Dayton Public Schools	Education	3,850
Kroger Co.	Grocery and Retail Merchandise	3,800
NCR Corporation	Manufacturing	3,450
Emery Worldwide	Air Freight	2,900
City of Dayton	Government	2,896
University of Dayton	Education	2,610
LEXIS-NEXIS	Electronic Information Services	2,600
Good Samaritan Hospital	Hospital	2,591
Reynolds & Reynolds Co.	Business Information Services	2,491
Speedway-SuperAmerica	Gasoline	2,453
DalmierChrysler Dayton Thermal Products	Manufacturing	2,450
Elder-Beerman Stores Corp.	Retail Merchandise	2,367
Copeland Corporation	Manufacturing	2,180
Wright State University	Education	2,048
Franciscan Medical Center	Hospital	1,991
Mercy Health Partners	Health Care	1,900
Sinclair Community College	Education	1,632
Cox-Ohio Publishing	Newspaper Publishing	1,600
Veterans Affairs Medical Center	Hospital	1,566
GZK, Inc.	Restaurants	1,500
American Matsushita Electronics Corp	Manufacturing	1,442
Community Hospital of Springfield	Hospital	1,350
Greene County	Government	1,260
National City Mortgage	Real Estate Financing	1,257
Standard Register	Business Information Services	1,239
Dayton Power and Light, Inc.	Utility	1,208
Springfield City Public Schools	Education	1,200
Food Equipment Group	Manufacturing	1,200
EDS	Electronic Information Services	1,200
ITW Hobart Bros.	Manufacturing	1,100
Monarch Marking Systems, Inc.	Manufacturing	1,088
U.S. Postal Service	Postal Service	1,054
Upper Valley Medical Center	Hospital	1,050
Honeywell	Manufacturing	1,000

Source: Miami Valley Regional Planning Commission, Dayton Business Journal

**City of Huber Heights, Ohio***Principal Employers**City of Huber Heights**December 31, 2001*

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<u>Employer</u>	<u>Nature of Activity or Business</u>	<u>Approximate Number of Employees</u>
A B F Freight Systems	Truck Terminal	735
Trimble Engineering & Const.	Laser Manufacturing	680
American Freightways	Truck Terminal	300
Wal-Mart Stores, Inc.	General Merchandise	295
Paxar Corporation	Paper Products Manufacturing	225
Montgomery Development Center	Handicapped Home	214
Coca Cola	Warehouse & Distributor	210
Lowe's Home Improvement	Home Improvement Sales	200
Spring Creek Nursing Center	Nursing Home	180
Kohl's Department Stores, Inc.	General Merchandise	480
Bowser Morner	Testing Laboratory	172
City of Huber Heights	Government	165
Globe Products, Inc.	Winding Equipment	161
TGI Friday's	Restaurant	160
Cub Foods	Grocery Store	160
Beta Laser Mike, Inc.	Laser Gauging	155
Target Stores	General Merchandise	150
Southdown, Inc.	Cement Company	150
Enginetics	Aerospace Parts	144
Elder-Beerman Corporation	General Merchandise	140
AIDA-Dayton Technologies	Press Manufacturing	125
Wayne High School	High School	122
Onyx Industrial Services, Inc.	Grocery Store	110
Kroger Co.	Grocery Store	100
Pizzaria Uno	Restaurant	100
K-Mart Corporation	General Merchandise	100
Old Country Buffet	Restaurant	90
Dayton Freight Lines	Trucking	87
Studebaker Jr. High School	School	84
Weisenborn Jr. High School	School	84
Catlow Industries	Gas Pump Nozzle Manufacturing	75
U.S. Postal Service	Postal Service	74
Steak 'N Shake	Restaurant	71

Source: City of Huber Heights Planning and Development Division, 2001

**City of Huber Heights, Ohio**  
*Municipal Income Tax Receipts*  
*(Cash Basis)*  
*Last Eighteen Years*

	<u>Year</u>	<u>Amount</u>	<u>Percent Change</u>	
	2001	\$10,925,453	10.19 %	
	2000	9,914,963	13.96	
(4)	1999	8,700,598	6.26	
	1998	8,187,825	6.01	
	1997	7,723,542	3.69	
	1996	7,448,517	0.27	(5.78% Adj) (3)
(2)	1995	7,428,282	37.85	
(1)	1994	5,388,861	45.83	
	1993	3,695,223	6.14	
	1992	3,481,346	11.64	
	1991	3,118,452	3.65	
	1990	3,008,772	5.10	
	1989	2,862,659	6.99	
	1988	2,675,636	15.08	
	1987	2,324,970	7.04	
	1986	2,172,095	25.45	
	1985	1,731,416	30.18	
	1984	1,330,065	91.90	

(1) City taxes increased from 1% to 1.75% effective 1994

(2) In 1995 the "due date" for payment of withholding taxes was accelerated by approximately 20 days. Therefore in 1995 a portion of revenues, which previously had been due and received in January of the next year, were actually received in December 1995. This resulted in a one time increase in collection in 1995 equivalent to 384 days versus 364 days of collections.

(3) Adjusted to a normal 364-day year, the City estimates that it would have received approximately \$7,041,400 during 1995 had the accelerated withholding not been implemented. Based upon this adjusted figure, the growth in tax collections comparing 1996 to 1995 would have been approximately 5.78%.

(4) City tax rate increased from 1.75% to 1.95% on 06/01/99; actual collections were not be fully realized until 2000.

Source: City of Huber Heights Finance Records

**City of Huber Heights, Ohio**

*Voted Property Tax*

*December 31, 2001*

<u>Authorized</u>	<u>Millage Rate</u>		<u>Purpose</u>	<u>Last Collection Year</u>
	<u>Levied For Current Collection Year (1)</u>			
	<u>Res./Agr.</u>	<u>All Other</u>		
1.000	0.315148	0.410053	Police	Continuing
2.370	0.746900	0.971825	Police	Continuing
0.630	0.199062	0.259010	Police	Continuing
1.500	0.607200	0.741393	Police	Continuing
0.790	0.248966	0.323941	Fire	Continuing
0.420	0.132362	0.172222	Fire	Continuing
0.290	0.091632	0.119226	Fire	Continuing
0.170	0.068825	0.083387	Fire	Continuing
2.250	0.910800	1.112089	Fire	Continuing
0.370	0.150890	0.182876	Fire	Continuing

(1) Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to authorized voted levies so that each levy yields the same amount of property taxes as in the year in which the levy was approved.

Increases to voted levy revenues are restricted to assessments for new construction. The reduction factors are computed annually and applied separately for residential/agricultural property and all other property.

Source: County Auditor; Montgomery County, Ohio

**City of Huber Heights, Ohio**  
*Land Use by Acres and Valuation*  
*December 31, 2001*

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Land Use	Area (in acres) (1)	Percent of Assessed Valuation of Real Property (2001 Valuation) (2)
Residential	6,175	78.93%
Commercial/Industrial	2,167	20.34
Public Utility	184	(a)
Governmental and Other Tax Exempt	1,757	(b)
Agricultural	3,709	0.74
Undeveloped	1,008	(c)

(a) Not available from County Auditor

(b) Not applicable. Exempt from property taxation

(c) Included in above categories.

Source: (1) City of Huber Heights Planning and Development Division, 2001

(2) Montgomery County Auditor

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**CITY OF HUBER HEIGHTS**

**MONTGOMERY COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 6, 2002**